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# THE NEW RUSSIA

BY  
L. HADEN GUEST



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## Prefatory Note

THE preparation of this book has been a difficult task because no complete collection of Russian books on social and economic questions is available in this country. This is an especial handicap in respect of books published in Russia since the revolution. For these reasons I am particularly grateful to Mr. C. G. Rakovsky, *Chargé D’Affaires* of the Soviet Embassy in London, who has procured for me a large library of books from Russia published since the revolution. A large proportion of these works, a number of which are detailed in a bibliography in the Appendix, are written by authors who gained the larger part of their experience under the Tsarist régime but who are now working for the Soviet Government.

I must also express my debt of gratitude to my Anglo-Russian Secretary, Miss D. Howard, whose indefatigable work as a translator and whose care in the verification of references have made the completion of my task possible.

L. HADEN GUEST.



# Contents

	PAGES
INTRODUCTION . . . . .	13

## CHAPTER I

GENERAL POLITICAL AND GEOGRAPHICAL DESCRIPTION OF THE UNION OF SOVIET SOCIALIST REPUBLICS . . . . .	19
Revolution and Changes in Territory—Constituent Republics—Frontiers —Federation of East and West—Population and Area—Changes in Popu- lation since World-War—Statistics for 1920—Diversity of Races— Diversity of Languages—Russia as a Continent—Potentialities of Siberia —Climate of Soviet Union—Mineral Wealth.	

## CHAPTER II

THE GOVERNMENT OF THE UNION OF SOCIALIST SOVIET REPUB- LICS . . . . .	46
The Central Executive Committee—The Council of People's Commissars —The Council of Labour and Defence—A Constitutional Growth—The All-Russian Congress of Soviets—The Villages and the Agricultural Population—Present Day Village Organization—The Smaller Villages— The Volost (Rural District)—The Uyezd (County)—The Gubernia (Pro- vince)—The Oblast—Soviet of a Constituent Republic—General Prin- ciples of Government and Administration—The Hierarchy of Authorities —The Sphere of the Peasants' Influence.	

## CHAPTER III

CONSTITUTION OF THE UNION OF SOCIALIST SOVIET REPUBLICS	60
Declaration of Formation—Treaty of Union—Competence of Supreme Governing Bodies—Sovereign Rights of Contracting Republics—Union Congress of Soviets—Union Central Executive Committee—Presidium of Union Central Executive Committee—Union Council of People's Com- missars—Supreme Court of Union—Union People's Commissariats— Union State Political Department—The Contracting Republics—Arms Flag and Capital of Union—Local and Municipal Government in Russia— Local Budgets—Education and Health Services—Development of Local and Municipal Life—Water Supply and Sewerage—Municipal Enterprises— Housing—Nationalized and Municipalized Buildings	

## CHAPTER IV

## LAW IN THE SOVIET UNION . . . . . 85

- Stabilization of Law—Revolutionary Courts—The Civil, Criminal Land and Labour Codes—The Civil Code (Main Provisions)—Joint Stock Companies—Foreign Firms in Russia—The Land Code—Synopsis of Main Provisions—The Labour Code—Labour Exchanges—Compulsory Labour—Collective Agreements—Labour Agreement—Management—Output—Wages—Workers' Change of Residence—Damage by Workers—Incapacity—Insolvency of Employer—Working Day—Home and Agricultural Workers—Overtime—Holidays—Annual Holiday—Dangerous Trades—Women and Young Persons—Women and Pregnancy—Nursing Mothers—Children—Sanitation and Safety—Special Conditions—Poisoning—Compulsory Medical Examination—Display of Rules—Inspectors—Trade Unions—Factory, etc., Committees—Social Insurance—Unemployment Benefit—The Criminal Code—General Basis of Rules for Punishment—Nature of Punishment—Sentences of Imprisonment and Compulsory Labour—Appeals—Offences against the Government—Offences by Officials—Church and State—Economic Offences—Offences against the Person—Sexual Offences—Offences against Property—Offences against Public Health, Security or Order.

## CHAPTER V

## FOREIGN POLICY OF THE U.S.S.R. . . . . 142

- Aim of Bolshevik Revolution—Internationalism—Period of Civil War—Trade Policy—Results of British Recognition—Soviet Union and League of Nations—List of Agreements between Soviet Union and other States—1924 the Year of Recognition—Treaty with Great Britain—General Treaty—Criticisms—Commercial Treaty—Soviet Government and Compromise—Need of Credits.

## CHAPTER VI

## THE ECONOMIC DEVELOPMENT OF RUSSIA . . . . . 164

- An Outline of Economic Geography—Four Main Regions—Tundra—Fir and Pine Forest—Mixed Forest—Steppes—Central Industrial Area—Western Area—North-Western Area—South Russian and Ukrainian Steppe—Mineral Resources—Crimea—Caucasus—Transcaucasia—Trans-Caspian Region—Kirghiz Steppes—Siberia.

## CHAPTER VII

## AGRICULTURE . . . . . 178

- Importance of Agriculture—Revival—Export of Grain—The Russian Peasant—Land Holding—Effect of Emancipation of Serfs—Land and the Revolution—Redistribution of Land—Position of Peasants and their Land Holdings—Agricultural Production—Use of Agricultural Machinery—Methods of Husbandry—Factors in Revival of Agriculture—Agricultural Taxation—Agricultural Machinery Output since Revolution—Peasant Industries (Koutzar).

# CONTENTS

9

PAGE

## CHAPTER VIII

### INDUSTRIES . . . . . 203

State Control of Industry—History of Changes since Revolution—Organization of Industry—The Trusts—Output of Industry—Productivity of Russian Worker—National Income estimated by Professor Pionkovich—General Survey of Russian Industries—Woollen—Flax and Hemp—Silk—Textile—Food Products—Railway Engine Building—Agricultural Machinery and Implements—Electro-Technical—Paper—Leather—Soap—Candles—Saw Mills—Glass—Porcelain, Crockery and Ceramics—Bricks—Chemical—Matches—Rubber—Cosmetics—Fuel—Precious Metals—Other Metals—Manganese—Lead, Zinc and Tin—Asbestos—Salt—The State Organization of Industry—List of Trusts and State Economic Organizations—A Survey of the Development of State Enterprises since the Revolution—Coal—Oil—Metal—Textile—Supplies of Raw Materials—Organization of Sale—Efficiency Campaign—Future of Russian Industry.

## CHAPTER IX

### TRANSPORT . . . . . 251

Railways—Track—Rolling Stock—Fuel—Freight and Passengers carried—Employees—Railway Finance—Road Development—Internal Water Transport—Nationalized and Privately Owned Ships—Cargo and Passengers—Finance of Internal Water Transport—Ocean Transport—Resources—Government Trade Fleet—Volunteer Fleet—Reconstruction of Ports—Finance of Docks and Ports—Air Transport Deruluit (Kamenny, Moscow), Dobrolet (Internal Air Transport in Russia)—Junkers—Dessau—Posts and Telegraphs—Increase of Telegraph Lines—Radio Stations—Telephones—Postal Business.

## CHAPTER X

### INTERNAL TRADE . . . . . 273

Goods Exchanges—Home Trade and the Peasant—Fairs and Local Markets—Village Trade—Private Capital in Wholesale Trade—Purchasing Power of Nation—Estimates of National Income—Fall in Purchasing Power—Development of Goods Exchanges—Joint-Stock Companies—The Economic Crisis of 1923—Chambers of Commerce—Licences for Trade and Employment—State Supervision of Internal Trade.

## CHAPTER XI

### FOREIGN TRADE . . . . . 290

A State Monopoly—Commissariat of Foreign Trade and its Duties—Composition of Foreign Trade Commissariat—Departments of Commissariat of Foreign Trade—Representation in Constituent Republics—Trade Missions Abroad—Customs—Organizations Conducting Trade—State Commercial Organizations—Import-Export Offices—Trade Delegations—Trade Agencies—State Economic Enterprises—List of State Institutions having Trading Representatives Abroad—Banks—Co-

Operative Societies—List of Co-Operative Societies having special rights for Import and Export—Joint Stock Companies—List of Joint Stock Companies having special Rights for Import and Export—Foreign Firms—Conditions of Trading—Other State Institutions—General Methods of Regulation of Foreign Trade Operations—Development of Foreign Trade—Statistics of Exports and Imports—Russo-German Trade—The Russian Market—Comparison with Pre-War Trade—History of Anglo-Russian Trade—Export Resources of Soviet Union—Forests—Dairy Farming—Eggs—Flax and Hemp—Foreign Trade and Foreign Confidence—Future of Foreign Trade.

## CHAPTER XII

## Co-OPERATION . . . . . 356

History of Russian Co-Operative Movement up to and during Revolution—Administration of Co-Operative Societies—Controsoyus—Credit Co-operation—Producers' Co-operation—Progress of Agricultural Co-operation since 1921—List of Forms of Association—Unions of Agricultural Co-Operative Societies—Finance of Agricultural Co-operation—Recent Developments of Agricultural Credit System—Central Agricultural Bank.

## CHAPTER XIII

## FINANCE . . . . . 384

Stable Foundation of Russian Currency—Gold Reserve—Money Circulation—History of Money during Revolution—The Budget.

## CHAPTER XIV

## EDUCATION AND CULTURE . . . . . 397

Basic Principle of Soviet Educational Policy—Organization of Commissariat of Education—Types of Educational Establishments—Pre-school Education—Elementary and Secondary Education—Residential Schools—Abnormal Children—Children's Social Inspection—Experimental Schools—Training of Teachers—University and Technical Education—Universities—Workmen's Faculties—Political Education—Illiteracy—Press and Censorship—Finance of Education—Fees and Scholarships—Education in Ukraine and White Russia—Scientific Research—Art and the Theatre—Child Welfare and Physical Culture

## CHAPTER XV

## LABOUR AND WAGES . . . . . 423

Privileges of Trade Unionists—Wages and Workers' Budgets of Chief Towns of Russia—Are Wages sufficient?—Comparison of real Wages in 1913 and 1924—Trade Union Organization—Membership of Trade Unions—Difficulties of Trades Unionism in Russia—Unemployment—Future of Trade Unionism—The Central Labour Institute

## APPENDICES

- APPENDIX I. Area of Provinces of U.S.S.R. as calculated by S. T. Silkevitch, 1924.
- APPENDIX II. Population of Provinces of U.S.S.R. as calculated by S. T. Sulkevitch, 1924, divided into Urban and Rural with number of Volosts and Uyezds, Capital Town and Population of Capital Town.
- APPENDIX III. List of Towns where Goods Exchanges established.
- APPENDIX IV. Population of that Part of Russia now within Borders of Soviet Union in 1913.
- APPENDIX V. Town Population of Soviet Union divided by Occupation.
- APPENDIX VI. Peasants' Budgets. Market Turnover of Peasant Households. Demand for Products of Industry according to Districts. Number of Workers in Peasant Industry.
- APPENDIX VII. Local Education Budgets. List of Institutes of University Standing on April 1, 1923.
- APPENDIX VIII. List of Elementary and Secondary Schools in Soviet Union in 1924.
- APPENDIX IX. Density of Population in Provinces of Soviet Union in 1920 by G. T. Ivanov.
- APPENDIX X. Bibliography of Books of Reference.



## Maps

## Introduction

THE object of this book is a modest one. It is to give information about the Soviet Union of Republics which will be useful to the politician, to the student of social questions and to the business man.

The Russian revolution of 1917, culminating in the seizure of power by the Soviets in November, 1917, was one of the shattering events of the period of world war. Opinions about that revolution are very sharply divided and are often so much mixed with passion and prejudice on both sides as to be intellectually irreconcilable. But the revolution has happened. The Soviet Government is in power and is a stable government. And it behoves those whose concern with the world is a concern for the work of the world and the interest of the people's welfare to understand the position of this new world-power.

The present stage of development of the world is a stage of the evolution of world-powers as certainly as the age of the Heptarchy in England was the age of the clash and compromise of district and county influences.

The world grows more and more towards an economic unity determined by the influences of modern methods of rapid transport and intercommunication, by modern methods of production and by the exchanges of its different countries. More and more the standard of life and welfare in one country is dependent on the standard of life, of welfare and of production in other countries.

Russia cannot be left out of account even by those who for reasons of political conviction would wish to do so. In the economic exchanges of the world the participation of Russia is important; for us in Europe it is even essential, for the exploitation of her largely untouched natural resources

is one of the ways (and we shall need to use all other ways as well as this one) by which we can get out of the economic difficulties in which we are now plunged.

- The difficulty is not only that of unemployment, it is a difficulty of low standard of life and of a tendency to the fall
- of that standard which has been such a marked after-effect of the war. The lowering of a standard of life which is only reasonably sufficient, or the maintaining of a standard of life which is at or only little above mere subsistence level, is a calamity to all civilization. It affects not only the physical well-being of the workers, but their productive capacity, their purchasing power, and so in a vicious circle worsens industrial conditions again by unemployment. One way out of the difficulty is by widening the area of the exploitation of the world's natural resources, that is by increasing the usable and exchangeable wealth of the world by using more of the natural riches of the world.

This is one of the aspects of economic questions which makes Russia so important at the present time. The larger part of the natural resources of Russia in and on the soil are still untouched. Russian methods of cultivation of the land are still primitive, and with a system more in line with the practice of Western Europe, Russian agriculture could greatly increase its yield. Russian forests are hardly more than notched and Russian mineral resources are developed only to a small extent of their possibilities. Russia is therefore in a position to make a great contribution to the increase of real wealth.

In the chapters which follow, the different aspects of the economic, social and political life of Russia are treated so as to give a concrete and definite idea of what is actually happening in Russia at the present time.

In Russia the economic conditions have been profoundly modified by the revolution of 1917; the political life of the country is entirely changed, the economic life of the country is being directed into new channels. In connection with economic organization new organs of administration have been created for the purposes of the socialized economy and the limits and powers of the organizations and their relation to private enterprise and trade in Russia (which exists

on a very great scale) are both complex and interesting.

The information on which this book is written is derived partly from books, papers or journals published in Russia since the revolution, partly from books published outside Russia since the revolution and partly from books published before the World War. To the study of these documents the writer brings the result of the experiences of two visits to Russia—one in 1920, at the time of the culmination of the purely political period of Bolshevism, and one in 1923 (at the time of the Moscow Agricultural Exhibition), when the new Economic Policy had been over two years in operation. On the first occasion, in the capacity of Secretary of the British Labour Delegation to Russia, he met and conversed with the chief leaders of the Russian revolution. In the capacity of Editor of the report of that delegation he had to study, sort, and arrange a mass of documents dealing with every aspect of the revolutionary situation.

At a very early stage of these labours he formed two quite definite ideas: (1) that the Soviet Government is a stable government backed by the mass of the population, the peasants and the workers; and (2) that the attempt to introduce Communism on the scale projected in 1920 was a mistake which would have to be acknowledged and the country's policy founded upon the needs and wishes of the great peasant mass of the population for whom a bridge would have to be built from individualist production to Socialism. Both of those views were profoundly unpopular when they were first expressed; the first, as to the stability of the Soviet, with all those politicians of the interventionist type who could not bring themselves to realize facts; and the second, that of the necessity for giving up the Communist programme, with all those ardent spirits who saw in the events in Russia the herald of an immediate and sweeping world-change.

Yet both opinions have been completely justified by events. The Soviet Union is now recognized by England, France, Germany, Italy, Japan and a multitude of other Powers, and Communism had to be abandoned and the New Economic Policy had to be declared by Lenin himself only a few months after the British Labour Delegation visited Russia.

This book is not primarily concerned with political and economic theories, but with political and economic facts.

The laws which guide the destinies of States and Peoples may not be those expounded in the philosophy of Bolshevism, but it is equally certain that they are not those expounded by the *émigrés* who have left Russia during and since the revolution or by their political friends in Europe and America. If we are ever to learn much about those laws, we shall need to observe very much more objectively than has been the practice of economists and political thinkers up to the present time.

As far as Russia is concerned we have to take her as she is, largely unknown and mysterious: in some ways strangely alien to our purely Western conceptions; in others, as in her great Art, strangely appealing to deep primitive instincts within ourselves. Who can listen to great Russian music without some stirring of the spirit? Who can contemplate the panorama of the great virgin forests of Russia and Siberia, the gigantic spaces of the Steppe, the mountains of the Caucasus and the mountains of Asia, the ardent enthusiasm and the great sacrifices of the proletariat of the towns and the vast, patient, toiling peasant people, without some lighting up of the imagination to realize what it may mean when this land steps into the line of world advance?

To any student of history or of affairs the developments of Russia since the revolution are of great interest. A whole new series of forms of life has been created. Not perhaps what their authors projected, not certainly what their enemies feared. But at least something alive. And one thing is certain: Russia before the revolution lagged deliberately behind the general advancement of mankind. Russia since the revolution has done everything she could to make up for lost time and equip herself for social life so as to be on an equality with the great civilized powers. The obscurantist, pseudo-mystic period of Russia is over.

It is quite true that Russia has not completely succeeded. Russia has problems pressing for solution very urgently and yet unsolved. But Russia is not alone in that, for so have England, Germany and the United States.

In this book, then, I tie myself down to a limited and pedestrian task.

To describe Russia and such parts of the social, political and economic structure as come within my scope in a manner which is, I hope, accurate rather than exciting and useful rather than polemical. But how do you know, people say? How can you be sure of the facts?

It was notoriously difficult to get accurate statistics of Russia before the war; the margin of error was considerable, and it is no less difficult now; but let me assure the reader that present Russian statistics are not compiled by Machiavellian politicians misusing them for sinister ends. Indeed, the frankness with which the bare bones of industry and of national life are exposed is somewhat remarkable. In dealing with figures the same tests have been applied as would be applied in considering the figures of any other country. The distinguished Russian writers who have published books since the revolution dealing with Russian political and social affairs are certainly as trustworthy and reliable as men of the same type in any other country. And when in fields so distant from each other as those of land legislation, the increase of coal production, and the methods of Foreign Trade one sees the same general tendencies at work, it is clear that we are observing real happenings and not political inventions.

It is time we got out of the red fog and the white fog which have surrounded Russian questions and let in some ordinary daylight. I do not, of course, claim that this is the first book on Russia to attempt this task. Indeed, I am grateful to many writers, both Russians and others, who have themselves taken up the burden of this task in the past few years.

This volume only hopes to add somewhat to the daylight and be useful for ordinary people. The statistics quoted in this work have been chosen carefully, the opinions quoted as representative of different schools of opinion. Both statistics and opinions have been carefully weighed and it is hoped that the drop of error is not in undue proportion. But that mistakes have been made is at least probable, for statistical work under conditions of revolutionary change is very difficult and complete accuracy is impossible. If mistakes are di-

covered, I shall be glad to have them pointed out for the benefit of future editions.

But, despite difficulties and drawbacks, Russia—the Soviet Union of Socialist Republics—is a great confederation of States rapidly extending her power and influence in the world of great nations, and her circumstances and conditions warrant the most careful study and attention. This book is written in the hope that it may help in the understanding of the relations of Russia and the world and in the study of conditions in Russia.

# THE NEW RUSSIA

## CHAPTER I

### General Political and Geographical Description of the Union of Soviet Socialist Republics

THE old Imperial Russia of the pre-war era has been replaced by the new Union of Soviet Socialist Republics. Parts of the old Imperial Russia are outside the Union altogether ; namely, Finland, Esthonia, Latvia and Lithuania, all of which are independent Republics ; the province of Bessarabia, which is now incorporated as part of the Kingdom of Roumania, and a small area in the Trans-Caucasus ceded to Turkey. The Russian portion of Poland is also separated from the older Russia and united with the Polish part of Germany and the Polish part of Austria forms the independent Republic of Poland.

The territory which remains under the control of the Union of Soviet Socialist Republics has its capital at Moscow and stretches from the Baltic Sea in the west to the Pacific Ocean in the east, and from the Arctic Sea in the north to the Black Sea in the south. On the north its boundaries may be said to be the Gulf of Finland and the Arctic Ocean ; to the west the frontiers are fixed by treaty and separate the Soviet Union from Norway, Finland, Esthonia, Lithuania, Poland and Roumania, going from north to south. The southern boundary begins in the west with the Black Sea and goes to the south of the Caucasian Republic (part of the Union) and the Caspian Sea to Afghanistan and Mongolia ; in the east the Sea of Japan and the Sea of Okhotsk. The group of countries just



north of Afghanistan, Turkestan, Khiva and Bokhara are now part of the Soviet Union.

Since the first establishment of the Soviet Government by the revolution of October, 1917, there have been very many changes in the boundaries of States and there is a tendency to carry on a process of subdivision to great lengths. The Soviet organization is in its nature one which is fluidic and capable of great variety of forms in order to adapt it to local circumstances. In Russia and Siberia the local circumstances vary very widely indeed from the conditions of Western European town-life as found in Petrograd (now Leningrad) to those ruling among primitive nomadic tribes as in Northern Siberia. And in addition there are great racial differences, involving differences of language and of customs inside Russia itself. The British Trade Mission in October, 1921, recognized four groups of States or Communities bound formally or by mutual agreement to the central Government at Moscow. They were (1) the original Russian Socialist Federative Soviet Republic, which was made up of European Russia and Siberia minus the portions separated from Russia in the west as previously mentioned and which has subdivided and federated in a complicated way; (2) the Autonomous Republics owing their origin to decrees of the main Republic; (3) Provinces conceded provincial autonomy; and (4) Independent Republics associated more or less closely with the main Russian Republic.

The main Republic now includes the gubernias of Archangel, Orel, Bryansk, Ekaterinburg, Gomel, Kaluga, Kursk, Kostroma, Murmansk, Moscow, Novgorod, Nijni-Novgorod, Novorossisk, Petrograd, Pskov, Penza, Perm, Ryazan, Rostov, Rybinsk, Smolensk, Samara, Simbirsk, Saratov, Stavropol, Tver, Tambov, Tsaritsin, Tcherepovets, Vitebsk, Voronej, Vladimir, Vyatka, Yaroslav, as well as those parts of Eastern and Western Siberia not otherwise administered. Federated with this are the following autonomous Republics:—

Bashkir Republic created by decrees of 1919 and May 27, 1920.

Tatar Republic created by decree of May 27, 1920.

Kirghiz                   "                   "                   "                   "                   Aug. 26, 1920.

## POLITICAL AND GEOGRAPHICAL DESCRIPTION 21

Daghestan Republic created by decree of Jan. 20, 1921.					
Gorsky	"	"	"	"	Jan. 20, 1921.
Turkestan	"	"	"	"	April 11, 1921.
Crimean	"	"	"	"	Oct. 18, 1921.

All these States are described as Soviet Socialist Republics, except the Bashkir Republic, which is Soviet but not Socialist.

The provinces which were conceded autonomy by the Moscow Government are :—

German Volga Province created by decree of Oct. 19, 1918.  
 Tchuvash Province created by decree of June 24, 1920.  
 Karelian Labour Commune created by decree of June 8, 1920.  
 Votyak Province created by decree of Nov. 4, 1920.

Kalmuk " " " " " " " "

Marisk " " " " " " " "

Ziryansk " " " " " May 5, 1921.

Kabarda-Balkarskaya Province created by decree of Sept. 1, 1921.

Buryat Mongol Province created by decree of January 9, 1922.

Yakut Province created by decree of

The following are independent Republics :—

The Ukrainian Socialist Soviet Republic.

The Khorezm (Khiva) People's Soviet Republic.

The Bokhara People's Soviet Republic.

The Georgian Socialist Soviet Republic.

The Armenian Socialist Soviet Republic.

The Azerbaijan Socialist Soviet Republic.

The White Russian Socialist Soviet Republic.

The Far Eastern Republic.

Since 1921 further changes have taken place and a new constitution (described in the next chapter) has been brought into existence.<sup>1</sup>

<sup>1</sup> Since this was written the Congress of Soviets of May, 1925, has made changes in the constitution and in the boundaries of States. For example, the Far Eastern Republic no longer exists as a separate entity, and is absorbed in the R.S.F.S.R.

The principle underlying the subdivisions seems to be that of allowing political liberty of organization within the Soviet system, and arranging for close economic co-operation, but is largely the expression of the spontaneous desire for self-government on the part of numerous national groups who were only kept in subjection to the Tsarist Government by armed force.

The frontiers of the different units entering into the Soviet Union are best studied on the map. White Russia is on the Polish border and includes the old Province (Gubernia) of Minsk, and parts of Vitebsk and Mogilef Province (Gubernia). The Ukraine has a northern frontier to White Russia; a western frontier to Poland, Roumania and Bessarabia; a southern frontier to the Black Sea, the Crimean Republic and the Sea of Azov; while its northern frontier follows the southern boundaries of the Minsk, Mogilev, Orel, Kursk and Voronej Governments and turns south to reach the Sea of Azov immediately to the east of Taganrog.

The complicated situation in the Caucasus is simplified by the fact that, for most purposes, Georgia, Armenia, and Azerbaijan work in close contact. The boundaries of the eight subdivisions of the Caucasus are most easily seen on the map, and the constitutional arrangements of their association, together with Moscow, will be found treated in the next chapter.

The Karelian Labour Commune stretches along the Finnish frontier from its junction with the Murmansk provincial boundary down to the south, where it meets the Petrograd provincial boundary on the shore of Lake Ladoga. The Zirjansk Province is an area lying between the Archangel Province and the Siberian boundary, it is in the latitude of Finland and in size is a little larger than Finland; in its northern part it consists of the typical Arctic Tundra; in the south, at about the level of Petrograd (Leningrad), it is covered in forest.

The German Labour Commune (now a definite republic) represents the territories colonized by Germans in the time of Catherine the Great and which still retain their distinctive German character, the German language and the

Lutheran Church ; the Chuvash and Marisk Provinces fall into a group with the Tatar Republic, with its capital of Kazan on the Volga, and the Votyak Province lies to the north of the Tatar Republic, with which it has a common frontier. To the east of the Tatar Republic, lies the territory of the Bashkirs, and south of that again and east of the Volga is the enormous area of the Kirghiz Republic, which covers the Semipalatinsk, Akmolinsk, Turgai, and Uralsk Provinces almost in their entirety, as well as part of the Astrakhan Government and the Transcaspian Province. To the south this province is bounded from west to east by the Transcaspian Province of Turkestan, the Khanate of Khiva (now part of the Turkoman Republic), the Aral Sea, and the eastern portion of Turkestan. The eastern boundary of this Republic is China and its northern boundaries in European Russia from west to east are the provinces of Samara, the Bashkir Republic and the Ekaterinburg Province, and further east the provinces of Western Siberia.

The subdivisions of Siberia are best studied on the map. The interesting Republic of Khiva (now part of the Uzbek Republic) is a small area wedged between the two parts of Turkestan and resting in the west on the Bashkir Republic and in the east on Bokhara. Bokhara also lies between the two parts of Turkestan, touches Khiva to the north-west and has a frontier with Afghanistan to the south. From the brief description just given it will be seen that the Soviet Union has direct land or sea frontiers, not only with the States of Western Europe, but with Turkey, Persia, China and Mongolia, and more of the Soviet Union's territory is in touch with the East than with the West and that nearly the whole of the Soviet Union is to the east of the longitude of Constantinople. Samara on the Volga is about the same longitude as Aden on the Red Sea. Thus the tremendously strong eastward tendency in Russian affairs and the great influence of Russia in the East are partly questions only of geography. By her determination to be of the modern Western world, Russia set her face to the West and Peter the Great built Petrograd (Leningrad) as his window to the West. But much of the life that nourishes Russia

comes out of the East. Even at this day the priests who serve in Buddhist temples on the east bank of the Volga, some miles above Astrakhan are recruited from Thibet, often speak no Russian at all, and have ideas wholly Oriental in their origin and in their associations. The Tatar Republic on the Volga is quite definitely Eastern and the inhabitants speak mostly a Mongolian language. To many people Moscow has a more Eastern appearance than Cairo.

The most recent big administrative change in the Soviet Union dates back only to September, 1924, when Bokhara and Khorezm (Khiva) united with a part of Turkestan and subdivided to form two new Republics, namely (1) the Uzbek Soviet Socialist Republic with the Autonomous Soviet Socialist Republic of Tadzhik and (2) the Turkoman Soviet Socialist Republic. On October 7, 1924, the Central Executive Committee of the Soviet Union decided to admit these Republics to the Union, but their exact boundaries are not yet delimited. The Uzbek (Bokhara) Republic consists of territories with a preponderatingly Uzbek population, namely North-Eastern, Central and Eastern Bokhara, Ferghana, Samarkand and part of the Syr Darya region of Turkestan, and also the Autonomous Republic of Tadzhik which is mainly Eastern Bokhara and part of the Samarkand region of Turkestan. The Turkoman Republic includes the southern and western parts of Khorezm (Khiva), the Turkoman region of Turkestan and a part of Western Bokhara.

The Federation of East and West in the Soviet Union is a new thing. Before the Soviet regime began, the eastern territories of Russia were regarded as colonies to be exploited for their material wealth and as places to which convicts could be sent. It is characteristic of the twentieth century that Russia in Europe and Russia in Asia are coming closer together, just as in the British Commonwealth of Nations the Western European and the Indian are seeking for a way of federal unity which shall unite East and West. Russian problems and Russian questions are world problems as much as those of the British Commonwealth of Nations, for Russia stretches from one side of the Old World to the other and touches the New. In the development and the working out

of world problems in the next few years Russia inevitably must play a big part.

### The Population and Area of Russia

It is probable that no statistics of population in any country are so full or so accurate as they ought to be; the reflection applies with particular emphasis to Russian statistics. The statistics of Russia before the war were usually subjected to a discounting process before being issued for Western European consumption. Statistics since the war and revolution need the discounting process rather more rigidly applied, but the possibilities of discounting are very difficult. It is as well, therefore, to boldly recognize that Russian statistics are only approximations. Eminent Russian statisticians contradict each other, State Departments contradict each other, added to which a plentiful crop of printers' errors, not corrected, makes the path of an investigator difficult. Mr. V. J. Groman, the author of an official Russian Soviet publication, *The Economic Condition of the Union of Socialist Soviet Republics*, opens his work with words as follows: "Every one who works on Russian Economic questions knows the dreadful state of our statistical materials, and when the attempt is made to discover comparable figures in different groups of phenomena, for the purpose of checking them, almost insuperable obstacles are met." And Mr. Groman goes on to say that, owing to gaps and defects of material, calculations are "more or less approximate."<sup>1</sup> Mr. Groman gets out of the difficulty by presenting several differing sets of statistics on certain economic questions and then stating the reasons which lead him to choose certain final figures. Dealing with the question of the production of State Industry, Groman gives six sets of statistics from the following authorities, all recognized as being authorities, viz., Census of 1923, Comrade Dubovikov, Comrade Vorobiov, Statistical Bureau of the Gosplan, Socialist Economy and the Supreme Economic Council. The differences in estimates are not slight. Thus the production in 1922 is variously estimated at 1,763,000,000 roubles and 759,000,000

<sup>1</sup> A leading Communist, speaking recently, said "Our statistics are of the Einstein variety."

roubles, that in 1923 at 1,072,000,000 roubles and 820,000,000 roubles. While the estimates of the number of workmen employed in State Industry vary from 1,000,000 to 715,000.

Every year that goes by, and latterly every month that passes, make it more easily possible to get accurate statistics. But in order to realize the nature of the statistics it is necessary to remember that Russia has been ravaged by war and civil war more than any other European country, that she was always a backward country from the standpoint of the general education of the masses of the people, and that the attempt has been made to mould her into a new system during a period of great confusion. Apart from economic and political considerations, the conditions of Russia during the last few years have made accurate statistical work impossible.

The author has therefore had to abandon the attempt to present a precise and definite statistical summary of Russian conditions. The raw material for such a summary may exist as regards certain aspects of Russian life, but after reading masses of statistics, both of Russian and non-Russian origin, it is clear that not much reliance can be placed on their accuracy. It is, in fact, better to try to get a view of Russia and Russian affairs in proper perspective than to get a pseudo-accurate view of detail. It is, for example, quite useless to work out the productivity of the Russian worker to a place of decimals, if the original collection of statistics upon which the calculation is based has an error of 25 or even 50 per cent. This unreliability of Russian statistics is not a Bolshevik product, it is a Russian product; it existed before the war and it exists now. Thus before the war it was quite usual for the accounts of a town to be a year late and for the details of expenses filled in with more regard to the imagination of the clerks concerned than to the facts. And unfortunately the tradition persists. Perhaps this is partly due to the fact that the provincial statistical officials are worse paid than any other civil or municipal servants and worse paid than the workers in any branch of State industry (see Appendix; "Real Wages of Workers and Employees of Gubernias in Large-Scale Industry"). Indeed, it would seem that the statistics most interesting to a provincial statistical employee

will be those concerning the number of kopeks in a rouble.

As a matter of convenience, in transcribing statistics from Russian sources, I have usually given the figures as they exist in the original, but they can only be taken as approximations.

## Area

The latest estimates of area and population are those given in the first number of the *Soviet Union Review* of January 3, 1925, and are as follows :—The six allied Republics which made up the Soviet Unions are the Russian Socialist Federation of Soviet Republics, the Ukrainian Socialist Soviet Republic, the Transcaucasian Socialist Federative Soviet Republic, the White Russian Socialist Soviet Republic and the new Republics of the Uzbeks and the Turkomans. The R.S.F.S.R. dwarfs the other Republics in size and exerts a preponderant effect in politics and government, for it contains not only Moscow, the capital, and Leningrad, the leading city of the revolution, but it was in the R.S.F.S.R. that the revolution was accomplished and in the Communist Party of the R.S.F.S.R. that the new leaders of Russia on the political side have been trained. Moscow is not only symbolically but actually the head-quarters of the revolutionary movement and of the experiments in the adaptation of Socialist and Communist theory which are now being worked out in the Soviet Union. The R.S.F.S.R. covers 96·7 per cent. of the total area of the Union (exclusive of the Uzbek and Turkoman Republics), the Ukraine makes up 2·1 per cent., Transcaucasia ·9 per cent. and White Russia only ·3 per cent. The figures in square kilometres give the following areas for the different Republics : Russian S.F.S.R., 20,188,700 ; Ukraine, 446,400 ; Transcaucasia, 195,800 ; White Russia, 59,700. The enormous area of the Russian S.F.S.R. is largely in Asia (16,339,700 square kilometres), only 4,550,900 square kilometres being in Europe, of which a large part is in the far north and includes very sparsely inhabited lands. So that in point of fact even the geographical disproportion between the main Russian Federation and the



Caucasus and the Ukraine, when it is considered in terms of towns and comparatively thickly populated rural areas, is less marked than appears at first sight. The importance of this is that the Federation is a Federation and not a unity, and that there is room for the development of considerable social, political and economic differences within the boundaries of the Soviet Union as a whole. The idea of Russia as a federation of States new to Western Europe and thought of as "Bolshevik" has a much earlier origin. Indeed, the early history of Russia provides parallels. Long before the World War and the revolution liberal thinkers in Russia, concerned as to its proper control and governance, had projected a series of allied Republics as the best means for achieving this aim. The division of Russia into a federation of Republics follows, therefore, a well-established tradition and will undoubtedly be the means for the expression of a great measure of variety.

The old Russian Empire had an area of about 21,800,000 square kilometres, and about 4 per cent. of this area, 868,800, has been transferred to neighbouring States.

The areas transferred by arrangements in which the Soviet Union concurs are—to Poland, 249,100 square kilometres; to Finland, 336,400; to Esthonia, 41,000; to Latvia, 69,400; to Lithuania, 58,600; to Turkey, 19,900. The area of Bessarabia is described as "seized" from the Soviet Union and extends to 44,400 square kilometres.

### Population

A Census of Russia was carried out by the Soviet Government in 1920 at the time of the culmination of the period of military communism. Its results are valuable, and as regards the large centres of population are to be relied upon in important particulars. But the Census in rural areas, in mountain districts, in Siberia and in places difficult of access, is only approximate. Some of the Census figures were not obtained for months after the date prescribed for the enumeration, and difficulties in the Census reached the point of assassination of enumerators in certain places.

## POLITICAL AND GEOGRAPHICAL DESCRIPTION 29

An estimate based on the Census of 1920 gave a figure of about 131,000,000 persons, and it is calculated (No. 1 *Soviet Union Review*, London) that the population has increased by about 4,000,000 since that time.

The estimate of population on January 1, 1924, is as follows :

Republic	Urban.	Rural	Total	Per cent. of Total.
Russian S.F.S.R. .	15,297,000	86,409,000	101,706,000	75·4
Ukraine. . . .	4,926,000	21,252,000	26,178,000	19·4
Transcaucasus . .	1,074,000	4,449,000	5,523,000	4·1
White Russia . .	275,000	1,256,000	1,531,000	1·1
Total . .	21,572,000	112,366,000	134,938,000	100

To these figures must be added the estimated population added by the Uzbek S.S.R., and the Turkoman S.S.R., which is over 3,500,000. The population of Russia in Europe is (in round figures) about 105,000,000 and in Asia about 29,000,000, exclusive of the Uzbek and Turkoman Republics. But there is an interesting difference in the distribution of these groups.

In Europe about 88,000,000 are rural population and 17,000,000 urban. But in Asia the proportions are : urban, 25,000,000, and rural only 4,000,000.

Thus in European Russia a rural population of 88,000,000 is spread over 4,500,000 square kilometres, whereas in Russia in Asia a rural population of 4,000,000 is spread over 16,000,000 square kilometres. And while 17,000,000 people out of 105,000,000 live in the towns of European Russia, 25,000,000 out of 29,000,000 live in the towns of Siberia, the urban population of which, with its very much smaller population, thus actually exceeds the urban population of Russia in Europe. The significance of these facts lies in the fact that Siberia is the colonial Hinterland of Russia in Europe, a new country, often an unexplored country, thinly peopled by tribes still

largely nomadic, and into this country the colonists from Russia have gone, making their settlements. In the European part of the Soviet Union the density of population is over 20 to the square kilometre, but in many parts of Siberia there is less than one person for a square mile; vast areas are, in fact, uninhabited primitive forests or, in the far north, wild Arctic wastes.

A large proportion of the "urban" population of Siberia live in what we should call large villages.

### Changes in Population since the War

According to the figures of the official Census of 1920 there was a considerable decrease in the population of Russia during the years 1914-20. It is difficult to estimate this exactly because the estimates of the population in 1914 vary from over 106,000,000 for the fifty-eight Governments in which an approximately accurate return was obtained (estimate of the Central Statistical Committee of Russia in 1914) to about 103,000,000. According to the *Report of the Administration Centrale Statistique de la Russie*, Vol. I, Book 3 (Moscow, 1921), which is printed in Russian and French and has a short explanatory introduction, and taking the lower estimate of pre-war population, there has been a drop of population of about 12,000,000. According to this authority the loss is attributed as to 3,000,000 to losses of lives in the World War; as to 3,000,000, to emigration from Russia; and as to 6,000,000, to the excess of death-rate over birth-rate during the war period and in the period of civil war pestilence and famine which followed. The wastage of population during the war and civil war period mostly affected European Russia, as a comparison of the figures of populations in the table on opposite page shows clearly.<sup>1</sup>

Thus the total loss of population in European Russia in the forty-seven Governments concerned was 11,504,473, and the total loss of population of eleven Governments of Asiatic Russia was 539,316. The only districts in which an increase occurred was among the nomad Kirghiz.

<sup>1</sup> Census of 1920, Central Statistical Department, Moscow. Estimates of population in 1924 will be found in the Appendix.

	Population.		Difference + or -.
	1914.	1920.	
1. Forty-five Governments of European Russia (excluding Ukraine) . .	80,181,520	69,106,006	- 11,075,514
2. Two Governments of the Ukraine . . . . .	4,818,850	4,389,891	- 428,959
3. Three Governments of Northern Caucasus . .	5,641,854	5,335,268	- 306,586
4. Six Governments of Siberia . . . . .	10,293,100	9,978,370	- 314,730
5. Two Governments of Kirghiz Territory . . .	1,858,100	1,940,100	+ 82,000

The excess of deaths over births is seen also in the following table :—

## STATISTICS FOR YEAR 1920

Governments.	Statistics reckoned per 10,000 inhabitants.		
	Births.	Deaths	Differences.
Tcherepovets . . . . .	240	296	- 56
Novgorod . . . . .	240	253	- 13
Petrograd (town) . . . . .	223	895	- 672
Smolensk . . . . .	297	334	- 37
Tver . . . . .	261	270	- 9
Moscow . . . . .	275	408	- 133
Moscow (town) . . . . .	219	462	- 243
Ivanovo-Voznesensk . . . . .	328	463	- 135
Kostroma . . . . .	332	496	- 164
Nijni-Novgorod . . . . .	249	338	- 89
Vyatka . . . . .	162	241	- 79
Perm . . . . .	190	260	- 70
Penza . . . . .	280	408	- 128
Ryazan . . . . .	254	272	- 18
Orel . . . . .	242	364	- 122

The detail of the Census returns for fifty-eight Governments of European and Asiatic Russia is shown in the following tables :—

TABLE I  
RESULTS OF THE CENSUS OF FIFTY-EIGHT GOVERNMENTS OF RUSSIA

Governments of Russia in Europe	Population on August 28, 1920.			Rural Population			Urban Population.		
	Men.	Women	Total.	Men.	Women	Total.	Men.	Women.	Total.
1. Archangel . . .	199,326	247,611	446,937	153,633	206,425	360,058	45,693	41,186	86,879
2. Astrakhan . . .	182,908	225,526	408,434	113,774	144,559	258,333	69,134	80,967	150,101
3. Bashkir Republic . . .	506,673	562,341	1,069,020	506,679	562,341	1,069,020	—	—	—
4. Bryansk . . .	446,326	536,618	982,943	389,214	469,240	858,454	57,111	67,378	124,489
5. Vitebsk . . .	564,541	670,248	1,234,789	470,289	569,430	1,039,699	84,272	100,818	185,090
6. Vladimir . . .	599,413	804,219	1,403,632	524,749	706,717	1,231,466	74,664	97,502	172,166
7. Vologda . . .	401,896	511,624	913,520	363,066	471,746	835,412	38,030	39,878	77,908
8. Voronej . . .	1,385,017	1,080,774	2,065,791	1,280,217	1,559,612	2,839,829	101,800	121,162	222,962
9. Vyatka . . .	1,387,287	1,792,957	3,180,244	1,289,575	1,681,933	2,971,508	97,712	111,024	208,736
10. Gornel . . .	1,136,376	1,373,483	2,509,869	941,203	1,134,708	2,075,911	195,173	238,725	433,898
11. Ekaterinburg . . .	879,197	1,087,248	1,966,445	634,980	797,493	1,432,478	244,217	289,750	533,967
12. Ivanovo-Vozne <sup>o</sup> . . .	268,150	346,538	614,688	201,618	272,952	474,570	66,532	91,586	158,118
13. Kazan . . .	1,172,395	1,439,319	2,611,714	1,072,173	1,315,217	2,387,390	100,222	124,002	224,224
14. Kaluzk Territory . . .	55,178	63,410	118,588	54,346	62,587	116,933	832	823	1,655
15. Kaluga . . .	399,419	554,241	953,660	362,566	507,662	870,168	36,913	46,579	83,492
16. Kostroma . . .	514,367	689,226	1,203,593	469,972	631,743	1,101,715	44,395	57,483	101,878
17. Kursk . . .	1,240,920	1,471,695	2,712,615	1,153,365	1,360,427	2,513,792	87,555	111,268	198,823
18. Marx, town (Gov- ernment of) . . .	213,449	240,919	454,368	196,563	222,479	419,042	16,886	18,440	35,326
19. Moscow, town . . .	502,140	526,078	1,028,218	—	—	—	502,140	526,078	1,028,218
20. Moscow, without the town of Moscow . . .	671,535	921,059	1,592,594	533,972	738,717	1,272,689	197,563	182,342	379,905

21. Nijni-Novgorod . . .	319,916	1,091,831	1,911,747	701,475	947,966	1,649,461	118,441	143,845	262,285
22. Novgorod . . .	339,205	502,011	901,216	349,152	442,343	791,162	50,063	59,669	109,722
23. Olonez . . .	141,450	178,050	319,500	119,637	158,615	278,152	20,913	19,435	41,348
24. Orel . . .	673,147	841,704	1,514,851	608,423	762,200	1,370,623	67,424	79,504	144,228
25. Penza . . .	774,340	970,909	1,745,249	706,550	888,624	1,595,174	67,790	82,285	150,075
26. Perm . . .	680,248	874,971	1,555,219	655,513	732,718	1,288,231	124,735	142,253	266,988
27. Petrograd . . .	635,014	914,964	1,599,378	305,742	403,610	709,352	379,272	511,354	890,626
28. Pskov . . .	549,512	700,126	1,249,638	601,485	642,876	1,144,361	48,027	57,250	105,277
29. Rязан . . .	936,619	1,202,817	2,130,508	879,980	1,135,395	2,015,375	56,711	67,422	102,415
30. Samara . . .	1,362,647	1,667,340	3,029,987	1,200,137	1,477,433	2,677,570	162,510	189,907	352,417
31. Saratov . . .	1,371,496	1,691,926	3,063,422	1,172,782	1,456,053	2,628,867	188,714	235,841	434,555
32. Northern Dvina . . .	332,056	437,685	789,741	333,292	419,475	752,707	18,824	18,210	37,034
33. Simbirsk . . .	856,847	1,800,602	1,937,440	758,564	963,849	1,722,413	98,283	116,733	215,036
34. Smolensk . . .	880,027	1,136,357	2,020,354	804,364	1,038,127	1,842,391	83,163	98,280	188,398
35. Tarnobov . . .	1,530,029	1,863,884	3,394,813	1,417,051	1,726,851	3,142,902	113,878	138,033	251,911
36. Tver . . .	876,088	1,154,389	2,050,477	786,436	1,063,955	1,850,391	89,652	110,434	200,086
37. Tula . . .	777,167	947,367	1,734,534	679,942	850,438	1,530,400	97,225	96,909	194,134
38. Oufa . . .	1,249,358	1,438,969	2,688,327	1,112,383	1,377,593	2,390,476	136,475	161,376	297,851
39. Taurisyn . . .	236,538	295,489	532,027	172,188	219,493	391,590	64,350	75,087	140,437
40. Tcheliabinsk . . .	590,387	743,407	1,233,794	507,143	650,793	1,157,936	53,244	92,614	175,858
41. Tcherepovets . . .	277,356	359,681	637,237	258,366	337,133	595,499	19,190	22,548	41,738
42. Yaroslavl . . .	511,742	711,912	1,223,654	426,481	600,253	1,035,739	85,261	102,654	187,915
Total . . .	22,256,679	36,569,475	65,845,154	25,070,400	31,619,871	56,690,271	4,185,279	4,969,604	9,154,883

TABLE I (continued)  
RESULTS OF THE CENSUS OF FIFTY-EIGHT GOVERNMENTS OF RUSSIA (continued)

II. Governments of Northern Caucasus and the Don.	Population on August 28, 1920.			Rural Population.			Urban Population.		
	Men.	Women.	Total.	Men.	Women.	Total.	Men.	Women.	Total.
1. Don Territory.	966,765	1,245,905	2,212,670	782,301	1,018,894	1,801,195	184,464	227,011	411,475
2. Kuban and Black Sea Governments	1,384,580	1,610,397	2,994,977	1,130,928	1,315,930	2,446,858	253,652	294,467	548,449
3. Stavropol.	548,370	634,747	1,183,117	507,998	588,128	1,096,126	40,372	46,619	86,991
4. Terek Territory	569,043	588,131	1,157,174	451,489	452,080	903,569	117,554	136,061	253,605
TOTAL . . .	3,468,768	4,079,180	7,547,938	2,872,716	3,375,032	6,247,748	596,042	704,148	1,300,190

  

III. Governments of Siberia.	Population on August 28, 1920.			Rural Population.			Urban Population.		
	Men.	Women.	Total.	Men.	Women.	Total.	Men.	Women.	Total.
1. Alkai . . .	1,201,004	1,322,317	2,523,321	1,115,185	1,240,329	2,355,514	85,819	81,988	167,807
2. Yenisei . . .	573,389	595,399	1,168,788	498,011	521,700	1,019,711	75,378	73,699	149,077
3. Irkutsk . . .	403,662	394,969	798,631	316,593	303,490	620,083	87,069	91,479	178,548
4. Omsk . . .	1,212,048	1,238,704	2,450,752	1,098,090	1,120,526	2,218,616	113,958	118,178	232,136
5. Tomsk . . .	928,793	998,705	1,927,498	799,548	890,319	1,689,867	129,245	138,386	267,631
6. Tumen . . .	516,615	592,765	1,109,380	476,092	546,321	1,022,413	40,523	46,444	86,967
TOTAL . . .	4,835,511	5,142,859	9,978,370	4,303,519	4,592,685	8,896,204	531,992	550,174	1,082,166

# POLITICAL AND GEOGRAPHICAL DESCRIPTION 35

IV. Governments of Kirghiz Republic.	Population on August 28, 1920.			Rural Population.			Urban Population.		
	Men.	Women.	Total.	Men.	Women.	Total.	Men.	Women.	Total.
1. Bukeeffsk (Resi- dent Population)	113,050	105,883	218,933	111,968	104,911	216,879	1,082	972	2,054
2. Orenburg . . .	359,121	470,128	829,249	295,715	397,444	693,159	63,406	72,684	136,090
3. Semipalatinsk . . .	599,641	569,334	1,168,975	550,646	511,810	1,062,456	48,995	47,524	96,519
4. Turgai . . .	370,865	369,594	740,459	353,028	350,735	703,763	17,837	18,859	36,696
TOTAL . . .	1,442,677	1,504,939	2,947,616	1,311,357	1,364,900	2,676,257	131,320	140,039	271,359

  

V. Ukraine.	Population on August 28, 1920.			Rural Population.			Urban Population.		
	Men.	Women.	Total.	Men.	Women.	Total.	Men.	Women.	Total.
1. Kharkov . . .	1,214,618	1,365,355	2,579,973	996,719	1,108,903	2,105,622	217,899	256,452	474,351
2. Tchernigov . . .	841,348	968,670	1,809,918	732,623	838,070	1,570,693	108,725	130,500	239,225
TOTAL . . .	2,055,966	2,333,925	4,389,891	1,729,342	1,946,973	3,676,315	326,624	386,952	713,576
GRAND TOTAL for 58 Governments . . .	41,058,591	49,650,378	90,708,969	35,287,334	42,899,461	78,186,795	5,771,257	6,750,917	12,522,174



Taking the figures of the Census of 1920, it appears that the general birth-rate in Russia had fallen to about one-half of what it was in pre-war days, the figure being then 25 per thousand of the population as against a pre-war figure of 45 per thousand. The general death-rate per thousand before the war was 31; it had risen in 1920 to 38. These figures are of course only approximate. And since this period there has been a great amelioration, the death-rate falling and the birth-rate rising; but it still appears that in the villages of the central region of Russia the excess of deaths over births which was characteristic of the Tsarist regime continues. The health of the towns is, however, improving more rapidly.

Among the population in 1920 there were calculated to be (*Russia Information and Review*, December 1, 1921) about 60,000,000 children under 16 years of age, of whom about 7½ million were in the towns and 52½ million in rural areas.

The diversity of races in the Soviet Union can be appreciated by a glance at the table which follows:—

TABLE VIII

PRESENT POPULATION OF TWENTY-SEVEN GOVERNMENTS ACCORDING TO NATIONALITY (*Census August 28, 1920*).

Nationalities,	Totals.
1. Russian . . . . .	699,067
2. Ukrainian . . . . .	798,655
3. White Russians . . . . .	118,976
4. Poles . . . . .	113,272
5. Baltic Slavonic . . . . .	9,593
6. Lithuanians . . . . .	30,464
7. Latvians . . . . .	82,015
8. Latin . . . . .	9,372
9. German . . . . .	575,024
10. Other Teutonic races . . . . .	4,060
11. Jews . . . . .	183,920
12. Georgians . . . . .	11,508
13. Greeks . . . . .	70,205
14. Armenians . . . . .	111,595
15. Persians and allied races . . . . .	6,216
16. Kurds . . . . .	57
17. Asetini . . . . .	123,838
18. Gypsies . . . . .	3,511
19. Other Indo-Europeans . . . . .	1

TABLE VIII (*continued*)

Nationalities	Totals
20. Kalouchia . . . . .	140,120
21. Tcherkess . . . . .	108,831
22. Abkhaz . . . . .	9,573
23. Tchetcheutay . . . . .	181,303
24. Lezghin . . . . .	606
25. Finns . . . . .	115,912
26. Votyak . . . . .	34,793
27. Karelian and allied races . . . . .	97,023
28. Esthonians . . . . .	97,876
29. Zyrians . . . . .	180,192
30. Perm . . . . .	114,336
31. Mordaines . . . . .	204,041
32. Marys . . . . .	90,815
33. Other Finns . . . . .	7,232
34. Tatars . . . . .	429,490
35. Bashkirs and allied races . . . . .	258,384
36. Tchuvash . . . . .	71,610
37. Karachauzevsi . . . . .	1,425
38. Turks and allied races . . . . .	1,543
39. Turkomans . . . . .	7
40. Kirghiz . . . . .	8,096
41. Sarti . . . . .	144
42. Uzbek . . . . .	1
43. Yakuts . . . . .	10
44. Kalmuk . . . . .	16,866
45. Buryats . . . . .	8
46. Other Mongols . . . . .	11
47. Chinese, Japanese, and Koreans . . . . .	3,498
48. Cyperharotzi . . . . .	48,068
49. Other nationalities . . . . .	10,477
50. Nationality unknown . . . . .	3,337
	<hr/>
	32,761,679

Among these various races, some with names almost unknown to Western Europe, there are twenty-three chief languages—Russian, Little Russian, Polish, other Slav tongues, Lithuanian, Lettish, German, other European languages, Tatar, Buryat, Tchuvash, Bashkir, Turkish and Turkoman, Kirghiz, Finnish, Esthonian, Karelian, Mordaine, Mary, Votyak, Perm, Zyrian and Kalmuk.

The following table gives the number of households speaking these languages in twenty-two Governments of European Russia :—



This great diversity of race and of language, of custom and of habit, is one of the marks of Russian life. The Tatars of Kazan are as different from the Russians of Leningrad as Hindus from Englishmen. And differences in language and race are reflected in differences in religion. The chief religions are Christian and Mohammedan, but there are also Buddhists, considerable numbers of Jews, there are Zoroastrians and there are primitive Pagans, the latter especially in Siberia. Christians are divided into Orthodox Church and various sects, such as Baptists, Doukhobars, and Molokanie. The Greek Orthodox Church is estimated to include over 65,000,000 people, other Christian denominations over 30,000,000, Moslems over 25,000,000, and Jews about 2,000,000 or less.

### Russia as a Continent

To think of Russia as one country is almost certainly to get a wrong impression of its enormous size. On the globe of the world it sprawls across from the Old World Hemisphere into the New. Moscow is four to five days' journey from London or Paris by a quick route, but it takes sixteen more days of travel via the Trans-Siberian railway to cross the remainder of European Russia and Western and Eastern Siberia to the sea at Vladivostock.

The total area of the Soviet Union is estimated at 8,150,000 square miles and has a population of about 134,000,000.<sup>1</sup> England, Wales and Scotland have an area of 88,321 square miles and a population of 43,000,000. Thus the Soviet Union with nearly one hundred times the area of Great Britain has only about three times the population.

As far as size goes, England, Wales and Scotland could be put in a corner of Russia and might figure as one of the subsidiary Republics, or Communes, or Governments.

Russia in Europe and Russia in Asia are only separated by the Ural Mountains, which are not gigantic crags of the type familiar to us in the Swiss or French Alps, but comparatively gentle hills which have no obstacle to roads or to railways. In European Russia, apart from the Urals and the Valdai

<sup>1</sup> Estimates of population vary considerably; two other estimates will be found in the Appendix.

Hills in Central Russia, from which the Volga takes origin, the only great chain of mountains is in the Caucasus, otherwise there are only little hills in a few localities and the whole of the rest of the Soviet Union in Europe is a vast plain traversed by rivers.

Most of Siberia is also plain, but towards the Southern boundaries of Asiatic Russia there are the great mountain ranges of Central Asia.

On this great plain every kind of climate is to be found; in the north it is that of the Arctic, for a large part of the year the plains are frozen and the sea itself is frozen. On the north coast of Siberia no trees and very little vegetation of any kind grows, but here the Tundra stretches mile on mile and is the habitation of wild creatures and of scarcely less wild men. The potentialities of Siberia are still largely unknown. The difficulties of Arctic navigation make an approach to the northern coast a matter of hazard and danger. Indeed, it is only since the time of the voyage of the *Vega* in 1878 and 1879, when Nordenskiöld, the Swedish explorer, sailed for the first time right round the Old World, that accurate information as to weather and conditions has been obtained and charts suitable for general use made. It was only in 1878 that goods were carried by sea for the first time from the Yenisei River to Europe—tallow, wheat, rye and oats. In 1915 two Russian steamers conclusively demonstrated the possibilities of this route and brought cargo to Grimsby valued at £350,000. In 1923 the Soviet Government sent expeditions of ships to the Kara Sea, in the north of Siberia, the s.s. *Arcos*, *Loos* and *Leonid Krassin*, under command of British officers and with mostly British crews, arriving in August, 1924, at the mouth of the Yenisei River. But this trade route is still experimental, although if it proves workable it will open up a large and rich trading country. There seems little doubt, however, that a regular and important seasonal traffic is possible.

One of the best descriptions of Siberia is still that in *The Voyage of the Vega*, from which we quote as follows:—

"If we take Siberia in its widest sense,—that is to say, if we include under that name not only Siberia proper but also the parts of High

Asia which lie around the sources of the great Siberian rivers,—this land may very well be compared in extent, climate, fertility and the possibility of supporting a dense population, to America north of 40° North Latitude (that is roughly north of the line, Philadelphia, Illinois, Denver). Like America, Siberia is occupied in the north by woodless plains;—south of this region, where only the hunter, the fisher and the reindeer nomad can find a scanty livelihood, there lies a widely extended forest territory difficult of cultivation and in its natural conditions, perhaps somewhat resembling Sweden and Finland north of 60° N.L. or 61° N.L. South of this wooded belt again, we have, both in Siberia and America, immeasurable stretches of an exceedingly fertile soil, of whose power to repay the toil of the cultivator the grain exports during the recent years from the frontier lands between the United States and Canada have afforded so striking an evidence.”<sup>1</sup>

The difficulty of getting the products of Siberia to the West is, however, very great, because the great Siberian rivers flow into the Arctic Ocean. “Of these rivers the double river, Ob-Irtish, with its numerous affluents, waters an area of more than 1,300,000 English square miles, the Yenisei-Angara not quite 1,070,000, and the Lena somewhat over 841,000.” Most of the land drained by these rivers is south of the Arctic Circle.

“If we draw the northern boundary of the land that may be cultivated with advantage at 60° N.L. (in Canada the provinces of Manitoba and Saskatchewan lie between latitudes 50° and 60° N.L.), there remains a cultivatable area of 2,000,000 English square miles.” “Most of this land consists of easily cultivated grassy plains, with little wood, and covered with the most luxuriant vegetation. The soil, in many places resembling the black earth or *chernozem* of Russia, rewards with abundant harvests even the slightest labour of cultivation.”

Nordenskiöld thought that this land might support “many, many millions,” but no very large number of colonists have ever gone to Siberia.

The same general reflections apply to European Russia, for contemplating the great fertile plain which stretches from the Urals in the east to the western border, the observer is compelled to think that many, many more inhabitants could be supported upon it than now do, in fact, get their sustenance

<sup>1</sup> This refers to the 'eighties of last century; further experience only underlines this, and the development of Canada during the last fifty years suggest interesting possibilities.

from it. The lands from Petrograd (now Leningrad) to Moscow and from Moscow to the Volga and then east of the Volga to the boundary of Siberia at the Ural Mountains are corn-raising, crop-growing lands only cultivated to a portion of their capacity. To sail down the Volga from north to south is to pass between stretches of prairies in which enormous developments are possible.

In the south of Russia, on the coast of the Crimea, there is a climate much like that of the south of France with a startling limpid beauty like that of the wonderful coast, the Riviera or Côte d'Azur, so well known to all Europeans. While in the Caucasus there is a grandeur and splendour of mountain scenery more striking than anything in Switzerland, for here is the very mountain peak on which legend says that Prometheus was bound. The Caucasus has been one of the great gateways between East and West in historic and possibly in prehistoric times and the many waves of migration which have marched through its great pass have left in the mountain territories little groups of half a hundred or more different tribes and races, laggard vestiges of almost forgotten races, speaking many languages.

On the eastern or rather southern side of the Caucasus is the wine-growing soft land of Georgia, where in the capital of Tiflis about seventy different languages may be heard in the Bazaar; for to-day, as in ancient days, it is one of the meeting-places of East and West and its electric light and electric trams exist side by side with conditions of life practically unchanged for thousands of years.

Apart from the Arctic Ocean and the Far East, Russia has but two outlets to the sea, at the Gulf of Finland and the Black Sea. Murmansk in the north, thanks to a branch of the Gulf Stream, is ice-free all the year round; but the Baltic in the north and the ports of North Russia and Siberia are frozen for some months in the year.

The river communication inside Russia and Siberia is remarkably good. The Siberian rivers already referred to are highways for large parts of the country, but their use is limited by their flowing to the Arctic. In European Russia, the Volga, the greatest river in Europe, links not only all

parts of European Russia together, but through the Caspian Sea, into which it empties, links Russia with Turkestan to the east and Persia to the south. To the north the Volga is in communication by canal with rivers to Moscow and to Petrograd, so that water communication is possible from one end of the country to the other.

The railways of Russia and Siberia are not well developed from the American or Western European point of view, but the Trans-Siberian railway, only completed in 1908, is over 4,000 miles long, and is one of the wonders of railway construction of the world. The journey now takes sixteen days instead of ten from Moscow to Vladivostock, but it is the quickest route from Western Europe to China and the journey is comfortable and convenient. The railway service from Petrograd (Leningrad) to Moscow is good, and services to the Baltic States and to Poland regular and reasonably good, while there are services to the Ukraine, the Crimea, the Caucasus and to Persia via the Caspian Sea which are good and convenient. The suburban services round Petrograd and Moscow work efficiently. The difficulty about railway transport comes from the limitation of material; in rush times there is consequent difficulty of getting a place on the trains and there is sometimes a delay of a day or so, as overcrowding is not allowed.

There is a good deal of snow and ice in the descriptions of Siberia most familiar to Western Europeans, but residents speak of the beauty of its spring with enthusiasm; it has an abundance of beautiful flowers, and if the winters are cold the summers are very hot. Of course, in Siberia itself, there are very great differences in climate between the far north and the south where Siberia comes near to Bokhara and Samarkand. Much of Siberia is in the same latitude as Great Britain, and the difference in climate is due to differences between our island and the Russian continental conditions, and the fact that no great mountain ranges separate it from the Polar regions. Much the same remarks may be made of the climate of European Russia.

The continental climate is both hotter and colder than our own. At Astrakhan, the town where the Volga empties into the Caspian, it is hotter than an ordinary Western European



can bear in the summer (the level of the Caspian is 60 feet below the level of the Black Sea); a temperature of 110° Fahrenheit is usual. But in the winter the River Volga is frozen hard for three months. The same considerations apply to the Ukraine and to Moscow, and the idea of Russia as a country of ice and snow needs to be balanced by the idea of Russia as a country of great heat. There may be great droughts too, as in the year preceding the famine of the Volga of 1921; but above all and apart from the range of variety in the climate the Soviet Union has a great richness of soil and a wonderful potentiality of agricultural production.

It is true that the resources are not fully exploited, but their immensity does not appear to have been fully appreciated in Western Europe. Looked at objectively, the Soviet Union is not so much an old country as a new country; in a few places over its vast extent there are remains of primitive customs and mediaeval customs. The peasants still make and wear beautiful traditional clothing, the Church ceremonials are of ancient significance, the many picturesque churches and ancient buildings tell of an older day and in many ways Russia seems two or three hundred years behind the development of the Western world. But it is as though a settlement from an older world were put down in a new continent, while under the old policy of the reactionary Tsarism very little progress was made. But the policy of the existing Governments of Russia is to use the available resources in a thoroughly modern way, and while it is anxious to preserve the record of the older regime, as its careful preservation of ancient monuments and buildings shows, it is anxious to use the resources of the country to bring about a modern revival.

Just for comparison's sake it is worth noting how some of Russia's resources compare with those of Great Britain. Roughly speaking, there is a Russian forest area equal to six Great Britains, and timber is an important article of trade; the area under grain cultivation is about fifteen times the area of Great Britain and this is without counting the still untouched grain lands of Siberia.

Turning to mineral wealth, the oil riches are by no means fully known, although Baku is famous; the coal and iron in

the Donetz region are known and being worked; there are great iron deposits in the Urals; iron is also being worked in the Caucasus; but there are huge areas of coal and iron still unexploited in Siberia, there is copper in the Caucasus, platinum in the Urals and gold on the Lena River in Siberia, to mention only a few of the more striking products. Nearly all minerals are found, nearly all food products can be grown, nearly all other essential vegetable products grown. Russia is of course a great flax-producing country, and Turkestan also produces cotton. If need were Russia could certainly live to herself but open to the trade and commerce of the world, providing opportunity for the investment of capital and for the production of enormous quantities of food-stuff. Russia can certainly add considerably to the wealth and prosperity of the world by entering on the pathway of modern world development and will open up to human enterprise some of the greatest untouched resources still at the world disposal outside of the tropics.

In Appendices at the end of this volume will be found details of area of population of U.S.S.R. divided according to the political divisions and showing the division of the country into Uyezds (counties) and Volosts (districts). The estimate in the Appendix is that of Mr. S. T. Sulkevitch, the statistician of the Commissariat of Internal Affairs, published by the Central Executive Committee at Leningrad in 1924. The estimate of distribution of the population over the area made by Mr. Ivanov in his officially published *Geography* is also given (*Russia, a Short Course of Geography*, Government Publication Department, Moscow and Leningrad, 1925).

## CHAPTER II

# The Government of the Union of Socialist Soviet Republics

### The Central Executive Committee

**A**LTHOUGH the history of the Union of Socialist Soviet Republics is a short one, it is a history of the growth of institutions at an unusually rapid rate. The Soviet or Council system is not the arbitrary creation of a revolutionary committee, it is a system which has grown up as the method of expression, in the first instance, of a revolutionary tendency and, in the second place, a method of organization to maintain the position gained by the revolution. Councils of workmen in factories, of soldiers in the field, and of peasants in their villages were very active in the early days of the Kerensky revolution, and an All-Russian Central Executive Committee of Soviets was formed in June, 1917, while the Provisional Russian Government of Kerensky was still in power. It was the Committee which took over power when the revolution of October, 1917, displaced the Kerensky government. Originally conceived of as a sort of legislative, judiciary and administrative body combined, it has tended to split up its functions among other bodies, but it still retains very wide powers indeed in all three fields, subject always to revision or reconsideration of its decisions by the Congress of Soviets which elects it.

It was the Central Executive Committee in the early days of the revolution which considered and decided all economic and political questions, and at a later stage considered the projects for the creation of autonomous Republics.

Members of the Committee usually wear a little metal flag

with the initials of the Committee's name in Russian letters, and they have a definitely marked position in the community. The members are immune from arrest unless by consent of the President or presidium of their own body, and they may take part in a consultative capacity in the proceedings of all local councils or Executive Committees and they may enter all Soviet institutions on presentation of their mandate. The obligations of members are onerous ; they must be constantly at work, and if absent from three successive meetings of the Committee (without adequate reason) forfeit their seats. During Sessions of the Executive Committee its members can be interviewed by any citizen of the Union in much the same way as English Members of Parliament are interviewed in the Lobby at Westminster.

### **The Council of People's Commissars**

The main State Departments, such as Finance, Foreign Affairs, War, Education, Health, and so on, are presided over by Commissars appointed by the Central Executive Committee (or the Congress of Soviets). The Commissars have " Cabinet " meetings frequently and are responsible to the Executive Committee, not only in the way a Western European Cabinet is responsible to a Western European Parliament, but also in the way a Western European Civil servant is responsible to the particular Minister under whom he works. The power of the People's Commissars is also limited in another way. Within each Commissariat is an executive body called the Collegium, of which the Commissar, the Assistant Commissar and various heads of departments are members. If the Collegium do not agree with the decision of the People's Commissar, then they have the right, without however interfering with the execution of that decision, to bring the matter up for consideration to the Council of People's Commissars. And in practice this often occurs.

Decrees of the Council of People's Commissars are issued signed by the Chairman, with the Administrator of the Chancery and the Secretary as guarantors of technical correctness. In purely administrative matters affecting their own departments individual Commissariats may act alone, but for general

executive purposes the Council of People's Commissars acts as a whole. Its meetings are concerned, however, not only with executive and administrative action, but with the framing of legislation for submission to the Central Executive Committee.

### The Council of Labour and Defence

The position and powers of the Council of Labour and Defence is peculiarly interesting, because it is not only an example of the working of Soviet institutions, but shows in its history an example of the growth, apart from the arbitrary creation, of the Soviet constitution. In the original conception of the division of functions among the administrative executive bodies brought into existence by the Russian Revolution it was intended that the general economic programme of Soviet Russia should be carried out by a Supreme Economic Council which would deal with production distribution and exchange.

The work of such a body was to be concerned with the provision of raw materials, the development of agriculture and its direction towards the Communist goal, the organization and direction of Foreign Trade and the direction of industry within Russia, the adequate use of resources in Labour, the maintenance of Transport, and the provision of State currency and banking and other cognate matters. The Supreme Economic Council set up to discharge these functions was originally conceived as a body which could gradually absorb functions from other bodies and eventually itself remain as the expression of the machinery of the Communist State when other functions of the temporary Revolutionary organization created for purposes of physical and economic conflicts with capitalist enemies had disappeared. This conception depended for its fulfilment on a rapid spread of a world-revolutionary movement adopting the Soviet method of organization. The circumstances pressing upon Soviet Russia, however, determined a different development and might be given in the words of a Russian writer in 1922<sup>1</sup> :—

<sup>1</sup> *Russian Information and Review*, January 15, 1922.

"The Civil War which began in the spring of 1918, passing in the summer into a war of national defence against foreign aggression and invasion, for three years obliged the Soviet Government to consider the work of each Commissariat in the light, not of its harmony with the best economic interests of the people as a whole, but of its adaptability to military requirements and the needs of a besieged fortress—as Soviet Russia felt herself to be from 1918 to 1920. Certain Commissariats (Food, Transport) developed into powerful organizations with a nation-wide scope and a sense of independence, others (Labour, Agriculture, Foreign Trade) had their utility destroyed or their activities seriously limited from the very beginning by the conditions of war-time. The Supreme Economic Council itself found its hands more than full with the problems of adapting industry for war-time purposes,<sup>1</sup> and, when peace returned with the autumn of 1920, of reviving those branches which had had perforce to be allowed to fall into decline or decay. After three years' concentration on purely industrial affairs it was no longer capable of assuming the all-embracing rôle assigned to it by the original planners of its existence, it has become to all intents and purposes the People's Commissariat of Industry."

A new organ was necessary, and such a one was at hand. In April, 1920, the Council of Defence (an inter-departmental "War Cabinet" set up within the Council of People's Commissariats in November, 1918, for the express purpose of winning the war (the civil war), like its counterparts in Western Europe) had been re-organized on a wider basis as the Council of Labour and Defence "with the object," in the words of the decree, of "the closest possible unification of all forces on the Labour front."

It was at this period that the plan of using the Red Army, the fighting army, as a Labour Army was worked out in considerable detail, and much work on felling of trees and on repair of railway bridges was actually carried out.

But the Polish war of 1920 and the attacks by the armies of General Wrangel in the Crimea prevented the carrying out of these plans, and after the ending of these two wars the position of the Council of Labour and Defence as an inner executive put it into the position of taking over the task, not only of defence, but also of general economic reconstruction.

<sup>1</sup> The first duty of the Supreme Council of National Economy had been to take over the industries of the country as they were successively nationalized in 1918.

The meeting of the eighth All-Russian Congress of Soviets in December, 1920, which met to consider the situation of Soviet Russia at the conclusion of the wars, decreed the following powers and duties as those of the Council of Labour and Defence :—

"The Council of Labour and Defence co-ordinates and develops the activity of all departments of State in the interests of the defence of the country and of economic reconstruction.

"To carry out the task imposed upon it, the Council of Labour and Defence publishes its decision, regulations, and instructions, and takes all the measures necessary to ensure the accurate and rapid execution ; in particular it determines the single economic plan of the R.S.F.S.R., submits it for ratification by the All-Russian Central Executive Committee, directs the work of the People's Commissariats in accordance with this plan, supervises its application and decides in cases of necessity on any modification of its provisions."

The Chairman of the Council of People's Commissars is President of the Council of Labour and Defence and its permanent members are the Commissars for War, the Supreme Economic Council, Labour, Transport, Agriculture, Food, Workers' and Peasants' Inspection and a representative of the All-Russian Council of Trade Unions.

The Director of the Central Statistical Department attends the meetings in an advisory capacity, and while financial business is being discussed a representative of the Commissariat of Finance, who, on these occasions, has the right to vote.

In the carrying out of its general functions the Council of Labour and Defence works through and by the Council of People's Commissars and the individual Commissariats concerned, but decisions of the Council can only be upset by the Central Executive Committee.<sup>1</sup>

But the Council of Labour and Defence exercises its power of setting up special committees or commissions to deal with definite subjects on definite problems in an active way. One of the many important commissions it has set up is the State Economic Planning Department, known as the Gosplan, and

<sup>1</sup> There is an interesting parallel between the Council of Labour and Defence in Russia and the Committee of Imperial Defence and the Committee of Civil-Research in Great Britain.

others deal with Electrification, Raw Materials, Agriculture and similar urgent questions. This aspect of the work of the Council of Labour and Defence is not peculiar to this body. The setting up of special Committees, which may be invested with great powers and responsibilities, is indeed characteristic of Soviet organizations from the Central Executive Committee at the top to the village Council at the bottom of the governmental hierarchy. Functional and regional devolution of power and responsibility is carried very far throughout the Soviet Union, and in practice very large numbers of men and women are actively engaged in work in co-operation with the elected Soviet authorities, and the tendency is to spread the power and responsibility over greater numbers while keeping in the hands of the local or higher Soviets a power of supervision and control of which the Central Executive Committee is the highest organ and the type.

Thus a whole linked system of organizations exists whose functions parallel those of the Council of Labour and Defence in respect to the areas over which their respective Executive Committees have authority. These bodies, whose functions were defined by a decree of June, 1921, are stated to exist "to unify and develop the activity of all local economic organs, to co-ordinate their work, and to ensure that they meet the problems dictated, not only by local interest, but also by those of the State as a whole."

The Council of Labour and Defence has its own official journal, the *Economic Life* (*Ekonomicheskaya Zhizn*), and has been the organ through which the New Economic Policy of 1921 has been realized in practice.

### The All-Russian Congress of Soviets

This supreme body is composed of representatives of town Soviets in the proportion of one deputy for every 25,000 electors and representatives of provincial congresses or autonomous Republics on the basis of one deputy for every 125,000 inhabitants. The explanation of this difference in method and value of representation is based on the fact that town Soviets and rural Soviets were originally separate and met in separate congresses, first amalgamating to form a



single Congress in November, 1917. The workshops naturally based themselves on actual electors, i.e. workers in the place concerned, and the peasants on population, as the number of adults was not so easy to compute, but was thought to be about 1 in 5.

The elections of town Soviets and those of rural districts, counties and provinces take place annually in the month preceding the assembly of the All-Russian Congress of Soviets. The elections are at open meetings and the vote is taken by show of hands. In practice the method of election and the value given to urban and rural voters gives an advantage to the towns, and as the Communist Party are the most active politically-minded people, and in control of the only legal party organization, an advantage to the Communists. But latterly the number of "non-party" deputies has tended to increase, and when the regulations at present in force and which limit political activity are removed, it is probable that a healthy opposition will manifest itself in the different congresses of Soviets and throughout the union in all the other organs of Soviet power.

### The Villages

In a country in which over 80 per cent. of the population live in villages and outside towns the centre of political influence rests inevitably on the agricultural population. As a temporary measure such a population can be cowed by a dictatorship, and the more easily the less well this population is educated. The policy of the Soviet Government, however, while on the one hand endeavouring to keep the directing and controlling power of the State in the hands of the town workers, on the other works hard for the introduction of improved methods of farming and for the stamping out of illiteracy. Coercion beyond a point becomes therefore impossible; coercion to the extent of compulsory requisition from the peasants of a large part of their produce became impossible in 1920, and was replaced by the New Economic Policy including the Agricultural Tax in kind.

The tax in kind is now going and is being replaced by a tax in money. And in order to secure the co-operation of the

peasant the Soviet Government is obliged to turn its attention to engaging the individual economic interest of the peasant in the prosperity of agriculture and farming generally. About two years ago the battle-cry of the Communist leaders of Russia was "To the Youth," now the whole attention of Russian leaders is turned to the problem of the peasant. Even with an entirely illiterate peasantry the new orientation of policy would mean compromise with the principles of Communism as applied by Russian leaders to the country's industry. With a peasantry rapidly becoming literate, with peasant newspapers increasing in circulation, with the peasant mind implacably that of the small cultivator intent on the profit and loss of his own efforts, the compromise is likely to go very much farther than those responsible for the direction of Russian affairs would wish. And the ironical paradox presents itself that the Russian Communists are being compelled to compromise largely because of the improvements in education and in status which the revolution has brought to the peasants. For these reasons the organization of Village Government is particularly important and is likely to play a great part in the near future in introducing non-Communist elements into control of Russian affairs.

And a specially interesting feature of Village Government is the fact that the revolution has made no great change in village institutions, but has increased their powers and influence. Before the revolution the peasants were treated separately from other classes of the population and had a part of the duties of local administration in their hands.

The village before the revolution had their village council meetings, elected their executive office, the starosta and also a tax-collector. They also elected at the village communal assembly delegates or representatives for the Volost (County or Canton) Assembly, the delegates of the villages being elected in the proportion of one to every ten households. It was at the Village and Volost assemblies pre-war that all affairs of the peasants were discussed and by them that their own officials were appointed. The village Soviet under the present regime has the same kind of functions as before the war, and the Volost Soviet is elected by the village Soviet

instead of from the village meetings, but it also has the same kind of functions as before the war. With an important difference that in both cases the present functions are more important and responsible than before the revolution. The continuity of tradition is, however, important, as it must tend to keep the villages and Volost institutions stable, while the additional powers now possessed by these institutions tend to make them more influential.

### **Present-day Village Organization**

Villages with more than 400 inhabitants elect a Council in the proportion of one member to each 200 inhabitants provided that the total number is not more than 25. Councils so elected must meet not less than twice a month, and their authority is absolute within the limits of their jurisdiction. Their duties are defined as carrying out the instructions of the Executive Committee of the Volost (rural district), or Uyezd (county) of which they form a part, to keep order within their boundaries and to attempt to raise the economic and cultural level of their area.

The Councils of Villages of above 10,000 population must elect an Executive Committee of two members who are the Executive organ of the Council. In villages of less than 10,000 people this power is exercised by the Chairman of the Council, who becomes very much the same as the pre-revolution starosta. The Chairman of the Village Council is paid a salary by the Gubernia (provincial) Executive Committee, which is defrayed out of money raised by local taxation.

The Chairman of the Village Council or the Executive Committee of the Council are held responsible by the Council and by the superior authorities of the district, county or province and must see to the carrying out of such special instructions as are issued from time to time by the Commissariat of Internal Affairs of the Soviet Union in consultation with other Commissariats.

### **Smaller Villages**

Villages of less than 400 population join with a large village, if one exists in the neighbourhood, in the election of a Council,

or group themselves together with a number of other small villages to elect a Council. There are cases, however, when, for geographical reasons, such union or grouping is impossible. In this case the village has to be governed by a general meeting of all the adult inhabitants, who elect a Chairman to be their responsible executive officer for a period fixed by the Executive Committee of the district in which the village is situated and confirmed by the County Authority.

This district and village organization of Russia is thus a very stable thing, and it is difficult to believe that the peasants will ever consent, under whatever regime may be in force in Russia, to any serious diminution of their powers and responsibilities. Indeed, it is much more probable that the authority of the Village and District Soviets will increase, and with the spread of the power of reading and the quickening of the political consciousness, which is deliberately encouraged by the Soviet Government, these institutions will become more and more valuable as training-grounds in administration for the peasantry and more and more effective, as helping to shape and give expression to organized peasant opinion in all parts of the Union. And when to the purely governmental or political organization is added the influence of the co-operative societies, which are predominantly peasant in character and through which the peasant may enter into Unions and Associations covering not only his district or county, but his province or his republic or, in certain cases, even the whole Soviet Union, it is clear that the way to a full expression of peasant opinion and the exercise of a large degree of peasant influence is wide open in Soviet Russia. What this will mean in the future is difficult to estimate exactly. But that it will not make for the return of the old regime with all its limitations on peasant life, or opportunities for education, or opportunities for land-holding, or opportunities for co-operation, is pretty well certain. That the new power of the peasant will mean a modification of Communism is not a question of the future, but of the peasant. Communism has already been very largely modified by peasant action, but the resultant of the forces of Communist theory and peasant opposition is not reaction, but a tremendous quickening of co-operation.

It now falls to consider the administrative steps in the Soviet system which lead up from the Village Soviet, the Volost Soviet to the highest Councils of the State.

*The Volost* (Rural District) Congress of Councils (a Volost is often equal in size to half an English county) is composed of the representatives of all Village Councils in the proportion of one deputy for each ten members of the Council. Councils with less than ten members send one representative each.

*The Uyezd* (County) Congress of Councils (an Uyezd may be as big as two or three English counties) is composed of the representatives of Village Councils in the proportion of one representative for each 1,000 inhabitants, but must not exceed 300. Representatives of Town Councils, of towns of not more than 10,000 people, also take part in the Uyezd Congress. Representatives from towns, factories or works—whether inside towns or existing as isolated industrial settlements—send representatives to the Uyezd Congress in the proportion of one representative for each 200 electors.

*The Gubernia* (Provincial) Congress of Soviets (some Provinces are larger than the whole of England) is composed of representatives from Town Councils, from Councils of factory and works settlements with a population of more than 5,000 inhabitants, and from Volost Congresses.

From Volost Congresses the proportion is one representative for every 10,000 inhabitants, from factories and works one representative for each 2,000 electors. Towns send representatives in the proportion of one representative for each 10,000 inhabitants. The larger industrial centres are included. Congresses are annual.

*The Oblast Congress* of Soviets (an Oblast is larger than a Province) is composed of the deputies of Town Councils, Uyezd Congress and Gubernia Congress. The basis of election is one representative for each 25,000 inhabitants, as regards Uyezd or Gubernia, or one representative for each 5,000 electors in a town.

*The Congress of Councils of a Constituent Republic* is composed of deputies of Town Councils of the Gubernia Congress of Soviets in the proportion of one to 25,000 electors and one to 125,000 of population respectively. All adults, men or

women, can exercise the vote at 18 years of age except:—

1. Persons using hired labour for the making of profit.<sup>1</sup>
2. Persons living on income or capital or the profit from business or property.
3. Private traders or agents.
4. Monks, clergy or those employed in Churches or religious establishments.
5. Employces and agents of former police, gendarmes or Okhrana, or members of the former Royal Family.
6. Persons mentally ill, or abnormal or under guardianship.

*Note.*—The limit of age for voters may be lowered by any local Council with the sanction of the Central Government.

### General Principles of Government and Administration

The beginning of the Soviet or Council system of Government is the election of representatives according to occupation and not according to place of residence. As far as villages are concerned, residence in an area and occupation in some form of work on the land are of course much the same thing in practice. In the towns the Councils are, however, elected from factory, workshop or administrative units.

From the structure of the Council form of Local and State Government it will be seen that it is based on the Councils of Villages or of industrial establishments who elect delegates to serve as members of a Congress of similar persons, covering a wider area and constituting the next upward step in the administration. This Congress in its turn elects other delegates to another Congress of still wider area, until finally, by a process of indirect election, several times removed from the village or the factory, the All-Russian Congress of Soviets is elected, which in its turn elects a Central Executive Committee, again appointing the People's Commissaries who control the different branches of administration of the Soviet Union.

Owing to the different electoral values given to the votes of the agricultural and the industrial population, the higher administrative bodies have a greater representation of the

<sup>1</sup> Modifications are now being made, as State Loans have been floated internally and hired labour is allowed to be used, and also private trading.

industrial element of the population than of the agricultural. All elections are conducted by open voting at meetings where the electors are in session, whether it be that of a village or of the Central Executive Committee of the Soviet Union. The net result of the system is to secure the election of capable persons, well-affected to the existing regime, and it is thus a stable form of government.

The fact that each successive stage in the administrative hierarchy is a copy of that above or that below with similar powers, but of less or wider range as the case may be, makes it easily possible for the Central Administrative Departments to operate at each lower stage of the descending hierarchy through Committees, or through individuals to whom are entrusted, for the particular level of Councils which they represent, powers of the same nature as those of the Central Authority, but of more limited extent.

And in practice the Central Authorities reproduce themselves in little all over the area of the Soviet Union, the chairman of a Village Council even having power to appoint Committees or individuals to carry out particular functions subject, of course, to the concurrence of the higher authority.

The result of this form of organization is to knit the whole administrative framework very closely together—another reason for its stability—and to make it possible, theoretically, for any capable person to step from the meeting of an obscure Village Council to the Central Executive Committee, or even to the direction of one of the People's Commissariats.

Under this system the Central Executive Organizations tend to concentrate a great deal of power in their hands, and the dominant political party, the Communist Party, which is at present the only legal party, is able to control the whole machine, and thus carry out its organization for the exercise of the Dictatorship of the Proletariat.

But within the system itself exists the possibility of the peasant demanding and obtaining a larger share than he has at present in political control. That the peasant does now demand a larger share of control is certain, and it is only a question of time before he obtains it, for there is nothing sufficiently powerful in the Government, which is called the

Government of Workers and Peasants, to resist the demand of the peasantry. It may indeed be doubted whether there is even the desire to resist the giving of greater powers to the peasantry on the part of a large number of Communists. The difference which could be made to Russia by an increase of peasant influence is a difference in the direction of practical compromise with Communist theory. The peasant will not object to Government owned and controlled industry, if it produces the necessary products. The criterion of the peasant, in fact, is a practical one, he is not a theorist. The influence of the peasant, therefore, will be toward a modification of the rigidity of the social and economic conceptions of the rulers of Russia.



## CHAPTER III

### Constitution of the Union of Socialist Soviet Republics

THE actual form of the Constitution adopted in July, 1923, and ratified in January, 1924, by the Second Congress of the Union of Soviet Socialist Republics, has to be read in conjunction with the Constitution of 1918; it is a growing organization, not a fixed form.

The translation which follows here is that made for and issued by the British Foreign Office in the pamphlet *Soviet Russia* (Stationery Office, 1924):—

"The Central Executive Committee of the Union of Socialist Soviet Republics, solemnly proclaiming the unshakability of the foundations of the Soviet power, in execution of the resolution of the first Congress of Soviets of the Union of Socialist Soviet Republics, and, likewise, on the basis of the agreement for the formation of the Union of Socialist Soviet Republics, taken at the first Congress of Soviets of the Union of Socialist Soviet Republics in Moscow on the 30th December, 1922, and taking into consideration the corrections and amendments proposed by the Central Executive Committees of the United Republics, resolves: The declaration of the formation of the Union of Socialist Soviet Republics and the Agreement for the formation of the Union of Socialist Soviet Republics shall form the fundamental law (Constitution) of the Union of Socialist Soviet Republics.

"FIRST SECTION. *Declaration regarding the Formation of the Union of Socialist Soviet Republics.*

"Since the time of the formation of the Soviet Republics, the States of the world have divided into two camps: the camp of Capitalism and the camp of Socialism.

"There—in the camp of Capitalism—national enmity and inequality, colonial slavery and chauvinism, national oppression and pogroms, imperialist brutalities and wars.

"Here—in the camp of Socialism—mutual confidence and peace, national freedom and equality, dwelling together in peace and the brotherly collaboration of peoples.

"The attempts of the capitalist world over a number of decades to settle the question of nationality by the combination of the free development of peoples with the system of the exploitation of man by man have proved fruitless. On the contrary, the skein of national contradictions is becoming more and more tangled threatening the very existence of Capitalism. The *bourgeoisie* has been found impotent to organize the collaboration of peoples.

"Only in the camp of the Soviets, only under the conditions of the dictatorship of the proletariat, mustering around itself the majority of the population, has it proved possible to destroy at the roots national oppression, to establish an atmosphere of mutual confidence and lay the foundations of the brotherly collaboration of peoples.

"Only thanks to these circumstances have the Soviet Republics been able to beat off the attacks of the imperialists of the whole world, internal and external; only thanks to these circumstances have they been able successfully to liquidate the civil war, to secure their own existence and commence peaceful economic construction.

"But the years of war have not passed without leaving traces. Desolated fields, closed-down factories, destroyed productive forces and the exhaustion of economic resources, remaining as a heritage from the war, render insufficient the separate efforts of separate republics in the field of economic construction. The restoration of the national economy proved impossible under the condition of the separate existence of the Republics.

"On the other hand, the instability of the international situation and the danger of new attacks renders inevitable the creation of a united front of Soviet Republics in the face of capitalist surroundings.

"Finally, the very construction of Soviet authority, international by its class nature, impels the labouring masses of the Soviet Republics to the path of amalgamation in one Socialist family.

"All these circumstances insistently demand the amalgamation of the Soviet Republics in one united State able to secure both its external security and internal economic prosperity, and the freedom of the national development of the peoples.

"The will of the peoples of the Soviet Republics recently assembled at the Congress of their Soviets, and there unanimously accepting the decision to establish the Union of Socialist Soviet Republics, serves as a reliable guarantee that this is a union of equal peoples; that each republic is secured the right of freely withdrawing from the Union; that entry into the union is open to all Socialist Soviet Republics, both now existing and which may arise in the future; that the new united State is a worthy crown of the foundations laid in October, 1917, of the peaceful dwelling together and the brotherly collaboration of peoples;

that it serves as a trustworthy bulwark against world capitalism, and a new decisive step along the path of the union of the workers of all countries in a world Socialist Soviet Republic."

July 21, 1923.

## CONSTITUTION OF THE UNION OF SOCIALIST SOVIET REPUBLICS

At the Session of the Union Central Executive Committee on July 6, the Declaration and Treaty of Union (which together form the Constitution of the Union of Socialist Soviet Republics) was formally ratified. The Treaty of Union in its final form, the original draft of which has been considerably amended, is given below as translated by *Russian Information and Review* (London).

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### THE TREATY OF UNION

The Russian Socialist Federal Soviet Republic (R.S.F.S.R.), the Ukrainian Socialist Soviet Republic (U.S.S.R.), the White Russian Socialist Soviet Republic (W.R.S.S.R.), and the Transcaucasian Socialist Federal Soviet Republic (the Socialist Soviet Republics of Azerbaijan, Georgia and Armenia), hereby unite into one federal State—the Union of Socialist Soviet Republics.<sup>1</sup>

#### I. COMPETENCE OF THE SUPREME GOVERNING BODIES OF THE UNION

1. The competence of the Union of Socialist Soviet Republics as exercised by its supreme governing bodies shall include :
  - (a) Representation of the Union in international relations, the conduct of all diplomatic intercourse, the conclusion of political and other treaties with other States.
  - (b) Modification of the external frontiers of the Union, as also the regulation of questions regarding the alteration of the boundaries between the contracting Republics.
  - (c) Conclusion of Treaties for the incorporation of new Republics in the Union.

<sup>1</sup> To these must now be added the Uzbek and Turkoman Socialist Soviet Republics.

- (d) Declaration of war and conclusion of peace.
- (e) Floating of foreign and internal Union loans, and sanction of foreign and internal loans of the contracting Republics.
- (f) Ratification of international treaties.
- (g) Control of foreign trade, and establishment of a system of internal trade.
- (h) Establishment of the basic principles and of a general plan for the whole national economic system of the Union; delimitation of the branches of industry and of separate industrial undertakings which are of importance to the whole Union; and the conclusion of concession agreements, both relating to the Union as a whole as also in the name of the contracting Republics.
- (i) Control of transport and posts and telegraphs.
- (j) Organization and control of the armed forces of the Union.
- (k) Adoption of a single State budget for the Union, comprising the budgets of the contracting Republics; determination of the general Union taxes and revenues, as also of deductions therefrom and additions thereto for the budgets of the contracting Republics; authorization of additional taxes and dues for the budgets of the contracting Republics.
- (l) Establishment of a single currency and credit system.
- (m) Establishment of general principles governing the distribution and use of land, and the exploitation of mineral wealth, forests, and waterways throughout the whole territory of the Union.
- (n) General Union legislation on migration from one Republic to another, and establishment of a colonization fund.
- (o) Establishment of basic principles for the composition and procedure of the Courts and the civil and criminal legislation of the Union.
- (p) Establishment of the fundamental labour laws.
- (q) Establishment of the general principles of national education.
- (r) Adoption of a system of weights and measures.
- (s) Organization of statistics covering the whole Union.
- (t) Fundamental legislation as to the rights of foreigners to citizenship of the Union.

- (u) Amnesties throughout the whole territory of the Union.
- (v) Veto of decisions of Soviet Congresses and of central executive committees of the contracting Republics which infringe the present constitution.
- (w) Adjudication of disputes arising between contracting Republics.

2. The ratification and amendment of the fundamental provisions of the present constitution is the exclusive prerogative of the Union Congress of Soviets.

## II. SOVEREIGN RIGHTS OF THE CONTRACTING REPUBLICS, AND UNION CITIZENSHIP

3. The sovereign rights of the constituent Republics are restricted only to the extent laid down in the present constitution and only in connection with matters falling within the competence of the Union. Outside these limits each contracting Republic exercises its State authority independently; the Union of Socialist Soviet Republic safeguards the sovereign rights of the contracting Republics.

4. Each of the contracting Republics retains its right to leave the Union if it so desires.

5. The contracting Republics shall modify their constitutions as required by the present Union constitution.

6. The territories of the contracting Republics may not be altered without their consent, and the consent of all the Republics forming the Union is necessary for any alteration, limitation, or annulment of Paragraph 4.

7. Union citizenship replaces citizenship of the separate Republics.

## III. THE UNION CONGRESS OF SOVIETS

8. The supreme authority of the Union is the Union Congress of Soviets, and, in the interval between congresses, the Union Central Executive Committee, consisting of the Union Council and the Council of Nationalities.

9. The Union Congress of Soviets is composed of representatives of town Soviets and Soviets of town settlements in the proportion of one delegate for every 25,000 electors, and

of representatives of provincial Soviet congresses in the proportion of one delegate for every 125,000 inhabitants.

10. Delegates to the Union Congress of Soviets are elected at the provincial Soviet Congresses. In Republics where there are no provincial units, delegates are elected directly at the Soviet Congress of the Republic.

11. Ordinary Union Soviet Congresses are summoned annually by the Union Central Executive Committee. Extraordinary congresses are summoned by the Union Central Executive Committee on its own initiative, or on the demand of the Union Council, the Council of Nationalities, or two of the Republics.

12. Under exceptional circumstances when the Union Congress of Soviets cannot be called at the proper time, the Union Central Executive Committee is authorized to postpone it.

#### IV. THE UNION CENTRAL EXECUTIVE COMMITTEE

13. The Central Executive Committee of the Union is composed of the Union Council and the Council of Nationalities.

14. The Union Congress of Soviets elects the Union Council, which consists of 371 members, from delegates of the contracting Republics proportionally to the population of each Republic.

15. The Council of Nationalities is constituted of representatives of the contracting and autonomous Soviet Socialist Republics on the basis of five delegates from each of these, and of representatives of the autonomous regions of the R.S.F.S.R., each of which sends one delegate. The constitution of the Council of Nationalities as a whole must be ratified by the Union Congress of Soviets.

*Note.*—The autonomous Republics of Adzharia and Abkhazia and the autonomous region of South Osetia shall have one representative each on the Council of Nationalities.

16. The Union Council and Council of Nationalities shall examine all decrees, codes, and regulations submitted to them by the presidium of the Central Executive Committee and the Council of People's Commissaries of the Union, by separate

People's Commissaries of the Union, or by the central executive committees of the contracting Republics, also when the question of such decrees, etc., is raised on the initiative of the Union Council or the Council of Nationalities.

17. The Union Central Executive Committee issues codes, decrees, regulations, and orders, and forms a single legislative and executive body for the Union; it further defines the work of the presidium of the Central Executive Committee and the Council of People's Commissaries of the Union.

18. All decrees and decisions concerning general political and economic conditions within the Union, or introducing fundamental alterations in the existing practice of the State departments of the Union, must be submitted to the Union Central Executive Committee for examination and ratification.

19. All decrees, regulations, and orders issued by the Central Executive Committee are compulsory throughout the territory of the Union.

20. The Union Central Executive Committee may suspend or set aside decrees, regulations, and orders of its presidium, the Soviet Congresses, and the Central Executive Committees of the contracting Republics as well as of other governing bodies throughout the territory of the Union.

21. Ordinary sessions of the Union Central Executive Committees are summoned by its presidium three times a year. Extraordinary sessions are called by decision of the presidium of the Union Council or of the presidium of the Council of Nationalities, as also on the demand of the Central Executive Committee of any one of the contracting Republics.

22. Draft laws which are submitted to the Union Central Executive Committee only acquire legal force when they have been approved by the Union Council of Nationalities; they are published in the name of the Union Central Executive Committee.

23. In case the Union Council and the Council of Nationalities fail to agree, the question is to be submitted to a conciliation commission formed by them.

24. Should no agreement be reached by the conciliation commission the question is referred for consideration to a joint session of the Union Council and the Council of Nation-

alities, and should no majority of votes of the Union Council or of the Council\* of Nationalities be secured, the question may be submitted at the request of either body to an ordinary or extraordinary Union Congress of Soviets.

25. The Union Council and Council of Nationalities each elects a presidium of seven of its members to arrange its sessions and conduct the work of the latter.

26. In the intervals between sessions of the Union Central Executive Committee supreme authority is vested in its presidium, formed by the Union Central Executive Committee of twenty-one members, amongst whom are included the whole of the Union Council presidium and the presidium of the Council of Nationalities.

27. The Central Executive Committee elects, in accordance with the number of contracting Republics, four chairmen of the Union Central Executive Committee from members of its presidium.

28. The Union Central Executive Committee is responsible to the Union Congress of Soviets.

#### V. THE PRESIDUM OF THE UNION CENTRAL EXECUTIVE COMMITTEE

29. In the interval between the sessions of the Union Central Executive Committee its presidium is vested with supreme legislative, executive, and administrative authority.

30. The presidium of the Union Central Executive Committee supervises the application of the Union constitution and the carrying out by all departmental authorities of all decisions of the Union Congress of Soviets and of the Union Central Executive Committee.

31. The presidium of the Union Central Executive Committee is empowered to suspend or to set aside the decisions of the Council of People's Commissaries and of separate People's Commissariats of the Union, as also of the Central Executive Committees and of the Councils of People's Commissaries of the contracting Republics.

32. The presidium of the Union Central Executive Committee is empowered to suspend the decisions of Soviet Congresses of the contracting Republics, but must subsequently



submit these decisions for examination and ratification by the Union Central Executive Committee. "

33. The presidium of the Union Central Executive Committee issues decrees, regulations, and orders, examines and ratifies draft decrees and resolutions submitted by the Council of People's Commissaries, by separate departments of the Union, or by the Central Executive Committees of the constituent Republics, their presidiums and other governing bodies.

34. The decrees and decisions of the Union Central Executive Committee, its presidium, and the Council of People's Commissaries of the Union are printed in all languages ordinarily used in the Republics (Russian, Ukrainian, White Russian, Georgian, Armenian, Turko-Tatar).

35. The presidium of the Union Central Executive Committee decides all questions regarding the relations between the Union Council of People's Commissaries and the People's Commissariats of the Union on the one hand and the Central Executive Committees of the contracting Republics and their presidiums on the other.

36. The presidium of the Union Central Executive Committee is responsible to the latter.

## VI. THE UNION COUNCIL OF PEOPLE'S COMMISSARIES

37. The Union Council of People's Commissaries is the executive and administrative body of the Union Central Executive Committee, and is formed by the latter as follows :

The Chairman of the Union Council of People's Commissaries,

The Vice-Chairman of the Union Council of People's Commissaries.

The People's Commissary for Foreign Affairs,

The People's Commissary for Military and Naval Affairs.

The People's Commissary for Foreign Trade.

The People's Commissary for Transport.

The People's Commissary for Posts and Telegraphs.

The People's Commissary for Workers' and Peasants' Inspection.

The People's Commissary for Labour.

The People's Commissary for Food.

The People's Commissary for Finance.

The Chairman of the Supreme Economic Council.

38. The Union Council of People's Commissaries issues decrees and regulations, which are compulsory throughout the territory of the Union, within the limits of the powers conferred on it by the Union Central Executive Committee and by the statute whereby it is established.

39. The Union Council of People's Commissaries examines decrees and regulations submitted to it by separate People's Commissariats of the Union or by the Central Executive Committees of the contracting Republics and their presidiums.

40. In all its work the Union Council of People's Commissaries is responsible to the Union Central Executive Committee and its presidium.

41. Regulations and orders made by the Union Council of People's Commissaries may be suspended or rescinded by the Union Central Executive Committee and its presidium.

42. The Central Executive Committees of the contracting Republics and their presidiums may appeal against the decrees and decisions of the Union Council of People's Commissaries to the presidium of the Union Central Executive Committee, but may not, in the meantime, suspend their execution.

## VII. THE SUPREME COURT OF THE UNION

43. For the maintenance of revolutionary law throughout the territory of the Union, a Supreme Court of the Union is attached to the Union Central Executive Committee. The competence of this court includes:—

- (a) To give authoritative interpretations on questions of general Union legislation to the Supreme Courts of the contracting Republics.
- (b) On the recommendation of the procurator of the Union Supreme Court, to examine the regulations, decisions, and sentences of the Supreme Courts of the contracting Republics, and to appeal against them to the Union Central Executive Committee on the ground that they

violate general Union legislation or in so far as they are prejudicial to the interests of the other Republics.

- (c) To give decisions, at the request of the Union Central Executive Committee, on the legality of any regulations of the contracting Republics, from the point of view of the Union constitution.
- (d) To adjudicate in judiciable disputes between the contracting Republics.
- (e) To examine accusations against high officials of the Union for crimes of office.

44. The Union Supreme Court functions through—

- (a) Plenary sessions ;
- (b) Civil and criminal divisions ;
- (c) Military and military transport divisions.

45. The plenary session of the Union Supreme Court consists of eleven members, including the chairman and vice-chairman, the four chairmen of the plenary sessions of the Supreme Courts of the contracting Republics, and one representative of the Union State Political Department. (See Paragraph 61.) The chairman, vice-chairman and the other five members are appointed by the presidium of the Union Central Executive Committee.

46. The procurator and assistant procurator of the Union Supreme Court are appointed by the presidium of the Union Central Executive Committee. The duties of the procurator of the Union Supreme Court include—to give an opinion on all questions submitted to the Union Supreme Court, and to sustain such opinion at its sessions, and, in case of disagreement with the decision of the plenary session of the Union Supreme Court, to appeal against it to the presidium of the Union Central Executive Committee.

47. The right to submit the questions indicated in Paragraph 43 to the plenary session of the Union Supreme Court may only be exercised by the Union Central Executive Committee, its presidium, the procurator of the Union Supreme Court, the procurators of the contracting Republics, and the Union State Political Department.

48. Plenary sessions of the Union Supreme Court constitute special full judicial sessions for the trial of—

- (a) Criminal and civil cases of exceptional importance in which the safety of two or more of the contracting Republics is involved.
- (b) Cases involving the personal liability of members of the Union Central Executive Committee and the Union Council of People's Commissaries.

The Union Supreme Court may only undertake the trial of such cases on the authority of a special decision of the Union Central Executive Committee or its presidium in each separate case.

### VIII. THE UNION PEOPLE'S COMMISSARIATS

49. For the direct control of separate branches of State administration coming within the competence of the Union Council of People's Commissaries, ten People's Commissariats are established as indicated in Paragraph 37 of the present constitution, to work in accordance with statutory provisions regarding People's Commissariats laid down by the Union Central Executive Committee.

50. The Union People's Commissariats are divided into—

- (a) Inter-Union People's Commissariats—single commissariats for the whole Union ;
- (b) Joint People's Commissariats of the Union.

51. The following are inter-Union People's Commissariats : Foreign Affairs, Military and Naval Affairs, Foreign Trade, Transport, Posts and Telegraphs.

52. The following are Joint People's Commissariats : Supreme Economic Council, Food, Labour, Finance, Workers' and Peasants' Inspection.

53. The inter-Union People's Commissariats have their own representatives, who are directly responsible to them, in the contracting Republics.

54. The departments which carry out the work of the Joint People's Commissariats of the Union in the contracting Republics are the corresponding People's Commissariats of these Republics.

55. The Union People's Commissariats are directed by the

members of the Council of People's Commissaries—the Union People's Commissaries.

56. Each People's Commissary is assisted by a board, of which he is Chairman, and the members of which are appointed by the Union Council of People's Commissaries.

57. The People's Commissaries have authority to take personal decisions on all questions within the competence of the particular Commissariat, but they must apprise their boards of all such decisions. Should the board or any of its members disagree with any decision made by a People's Commissary, they may, without suspending the execution of the decision, appeal against it to the Union Council of People's Commissaries.

58. Orders issued by individual Union People's Commissariats may be annulled by the Union Central Executive Committee and the Union Council of People's Commissaries.

59. Orders issued by Union People's Commissariats may be suspended by the Central Executive Committees of the contracting Republics, or their presidiums if such orders are clearly inconsistent with the Union constitution, Union legislation, or the legislation of the contracting Republic. Such suspension of an order must be immediately notified to the Union Council of People's Commissaries and to the Union People's Commissary concerned.

60. Union People's Commissaries are responsible to the Union Council of People's Commissaries and to the Union Central Executive Committee and its presidium.

## IX. THE UNION STATE POLITICAL DEPARTMENT

61. In order to unify the revolutionary action of the contracting Republics in their struggle with the political and economic counter-revolution, espionage and banditism, a joint State political department is established, attached to the Union Council of People's Commissaries; the Chairman of this Department is a consultative member of the Union Council of People's Commissaries.

62. The Union State Political Department controls the work of the local branches of the State Political Department

through its representatives in the Councils of People's Commissaries of the contracting Republics; these representatives act in accordance with special and legally ratified regulations.

63. The procurator of the Union Supreme Court exercises control over the legality of the actions of the Union State Political Department in accordance with a special decree issued by the Union Central Executive Committee.

## X. THE CONTRACTING REPUBLICS

64. The Soviet Congress of the contracting Republic is the supreme authority within the territory of each Republic, and, in the intervals between congresses, its Central Executive Committee.

65. The mutual relations between the supreme authorities of the contracting Republics and the supreme authorities of the Union are defined in the present constitution.

66. The Central Executive Committees of the contracting Republics elect, from among their members, presidiums which are the supreme authorities in the intervals between the sessions of the Central Executive Committees.

67. The Central Executive Committees of the contracting Republics set up their own executive bodies, i.e. councils of People's Commissaries, which consist of—

The Chairman of the Council of People's Commissaries.

Vice-Chairman of the Council of People's Commissaries.

The Chairman of the Supreme Economic Council.

The People's Commissary for Agriculture.

The People's Commissary for Finance.

The People's Commissary for Food.

The People's Commissary for Labour.

The People's Commissary for Home Affairs.

The People's Commissary for Justice.

The People's Commissary for Workers' and Peasants' Inspection.

The People's Commissary for Education.

The People's Commissary for Health.

The People's Commissary for Social Welfare, and also,

either with consultative or voting rights, according to the decision of the Central Executive Committees of the Republics—representatives of the Union People's Commissaries for Foreign Affairs, Military and Naval Affairs, Foreign Trade, Transport, and Posts and Telegraphs.

68. The Supreme Economic Council and the People's Commissariats for Food, Finance, Labour, and Workers' and Peasants' Inspection of each contracting Republic, while subordinate to the Central Executive Committees and the Council of People's Commissaries of the contracting Republic, carry out the instructions of the corresponding Union People's Commissariats.

69. The power to amnesty, pardon, and rehabilitate citizens sentenced by the judicial and administrative authorities of the contracting Republics, is the prerogative of the Central Executive Committees of these Republics.

#### XI. ARMS, FLAG, AND CAPITAL OF THE UNION

70. The arms of the Union of Socialist Soviet Republics consist of the hammer and sickle emblazoned on the globe encircled by ears of grain, with the inscription *PROLETARIANS of the World, Unite* in the six languages enumerated in Paragraph 34, and surmounted by a five-pointed star.

71. The official flag of the Union is of red or scarlet cloth, bearing the arms of the Union.

72. The capital of the Union is the town of Moscow.

#### LOCAL AND MUNICIPAL GOVERNMENT IN RUSSIA<sup>a</sup>

Local and Municipal Government in Russia is concerned with very much the same duties as similar Government in Great Britain. But for the first few years of the Revolution such Local Government was in abeyance and it is only since 1922 that Municipal Government has begun to revive again.

The Central Government Department chiefly concerned

with Local and Municipal Government is the People's Commissariat of Internal Affairs.

As a part of this Commissariat there is a department of Communal Economy which has the following duties :—

1. To assist in the organization of local economic life.
2. To give general supervision to the work of Local Government, the housing of the population, building and repairs, the order of towns and villages, municipal buildings and land, fire-brigade, road making, local transport and allied departments of local life.
3. To see to the carrying out locally of decrees and regulations of the Government concerning Municipalities.
4. To draft decrees and regulations concerning Municipal and Local Government for approval by the Central Executive Committee or the Council of People's Commissars.
5. To organize exhibitions and museums.
6. To publish and distribute periodical journals and magazines concerning local affairs.

The Central Administration has eight departments and has attached to it a Scientific-Technical Council. The departments are :—

1. General.
2. Organization and Information.
3. Local Budget.
4. Buildings.
5. Land.
6. Order.
7. Fire-Brigade.
8. Local and Municipal Enterprises.

### Local Budgets

All administrative-territorial units have their separate budgets—the Gubernia, the Uyezd, the town or the Volost. The Gubernia Budget is sanctioned by the Gubernia Congress of Soviets and this Congress or the Gubernia Executive Committee fixes the limits for the budgets of the Uyezds and Volosts within their area.



The Budget period runs from October 1 of one year to September 30 of the next year.

The income of the local authorities is made up as follows :—

1. Receipts from property or from local undertakings.
2. Deductions from Government taxes.
3. Local taxes.
4. Credit operations.
5. Government grants.

Deductions from Government taxes are allowed up to 50 per cent. of total from the Single Agricultural Tax, from the Industrial Tax, from receipts from State lands, from receipts from State fisheries. Deductions from receipts from State forests are 30 per cent. only. The amount deducted from the Single Agricultural Tax is fixed yearly by the Soviet of People's Commissars of the Union. The Gubernia Congress of Soviets has the right to increase the deductions from the Industrial Tax and to increase the licence duty payable by drink and tobacco trades, to increase the deduction from the income tax and the fees for law courts and notaries.

The local expenses which have to be covered by local resources are :—

1. Support of local Soviet institutions.
2. Housing of Army and Navy detachments.
3. Repair and upkeep of buildings, new building, keeping order, expenses of communal enterprises, sanitation, fire-brigade, road making and repairing, river transport and ferries.
4. Education.
5. Health.
6. Social security.
7. Agriculture.
8. Local transport.
9. Industry under local or municipal control.
10. Protection of labour.

The following estimated (or "orientation") Budget gives a good idea of the nature and amount of local income and expenditure :—

# CONSTITUTION OF THE U.S.S.R.

77

## LOCAL YEARLY ORIENTATION BUDGETS OF U.S.S.R. FOR 1922-23 AND 1923-24 BUDGET YEARS

Income and Expenditure.	1922-23.		1923-24.	
	In 1,000 gold roubles according to Gosplan Index.	In per cent.	In 1,000 Tchervonetz roubles.	In per cent.
<i>Incomes.</i>				
Arrears . . . . .	3,384		20,800	
Incomes from enterprises and property . . . . .	126,324		255,200	
Deductions from Government taxes and incomes . . . .	62,436		116,580	
By percentage additions to Government taxes and tariff	31,891		104,400	
Local incomes . . . . .	67,693		56,840	
Different entries. . . . .	25,194		12,180	
Loans and relief. . . . .	18,751		13,920	
 TOTAL . . . . .	 335,673		 579,920	
<i>Expenditure.</i>				
Maintenance of general admin- istration, apparatus, militia, criminal proceedings and Gub. Soviet of People's Economy .	58,979		92,950	
Communal economy. . . . .	98,796		140,400	
Roads and road making . . .	10,815		13,000	
Education. . . . .	74,935		177,450	
Health. . . . .	61,003		99,450	
Agricultural economy . . . .	15,149		21,450	
Military and Navy affairs . .	3,949		8,450	
Justice and prisons . . . . .	10,893		28,600	
Social security . . . . .	9,655		10,400	
Various expenses and repay- ment of debts . . . . .	12,227		26,680	
Reserve fund . . . . .	28,288		31,200	
 TOTAL . . . . .	 384,689		 650,030	

Although the amounts spent by local and municipal authorities are considerable, there has been a great diminution since 1912. The following table compares the expenditure under certain important headings and is taken from the *People's and State Economy*, 1922-23 (Moscow, 1923):—

LOCAL EXPENSES PER HEAD IN 1912 AND 1923

Expenses.	In 1912.	In 1923.	Percentage relation of expenses per inhabitant in 1923 to same in 1912.
	In golden copecks.		
1. Administrative expenses. . .	62.03	61.84	96.6
2. For keeping up property and enterprises . . . . .	54.22	52.42	96.7
3. Maintenance of inhabited buildings. . . . .	43.47	25.36	58.3
4. For improving the economic state of the population . .	16.41	11.50	70.1
5. Culture-social expenses . .	159.25	110.58	69.4
6. Other expenses . . . . .	65.74	30.60	46.5
TOTAL . . . . .	401.12	292.30	72.5

It will be noticed that there has been a serious drop in the expenditure on maintenance of buildings and social services which include health and education.

When the expenses per head of population (taken from the same source) on education, health services and social security are compared the drop in expenditure is seen to be marked.

The reader will probably wonder how the drop in expenditure is to be reconciled with the increase of education and the improvement in the health services. The answer is to be found in a policy of excessively rigorous economy. Take, for example, the item of teachers' salaries. In 1914 the average salary of a teacher in Russia was 60 roubles a month, in 1923 the average salary of a teacher in the towns was

THE AMOUNT OF CULTURAL-SOCIAL EXPENDITURE PER HEAD IN 1912  
AND 1923

Expenditure.	In 1912.	In 1923.	Percentage relation of 1923 to 1912.
	In golden copecks.		
Education . . . . .	81.25	56.92	70.1
Health services . . . . .	68.15	46.33	68.0
Social security . . . . .	9.85	7.33	74.4
TOTAL . . . . .	159.25	110.58	On the average, 69.4

18.2 roubles a month and in the villages 15.1 roubles a month. In 1924 these salaries were raised, but not to the 1914 level, which is not possible for Russia at the present time. The need of economy is so urgent that not only the actual but the relative expenditure on education has been decreased.

Thus, if we express the expenditure on education in Russia as a percentage of the total expenditure we get the following figures :—

1914	5.7 per cent.	1921 .	8.9 per cent.
1918	6.2 „ „	1922-3	3.0 „ „
1919	8.0 „ „	1923-4	3.9 „ „

## The Development of Local and Municipal Life

It must be realized that Russia is in a very backward condition as regards not only the amenities of life, but of what in Great Britain we regard as the bed-rock necessities. Thus in Great Britain every town has a regular water supply laid on to the houses in pipes, but in Russia such a water supply is the exception, and even in Moscow and Leningrad a large proportion of the houses are not connected up with the water supply.

The position as regards sewerage is still worse. The vast

majority of all Russian towns have no system of water-carriage of sewage, and even in Moscow and Leningrad the number of houses connected with the sewage system is only a fraction of the total.

The following information is taken from official sources (*Book of World Information on Economy, Finance and Politics*, Blinov and Derevenko, Moscow and Leningrad, 1923).

It is estimated that in the Soviet Union (excluding the Far-Eastern Province) there are about 250 towns with a water supply.

The following table shows distribution of the water supplies in towns of the R.S.F.S.R., excluding the Ukraine, Siberia, Kirghiz Republic and Turkestan. Statistics refer to the year 1922.

WATER SUPPLY OF RUSSIAN TOWNS<sup>1</sup>

	No. of towns.	Population according to Census 1920. In 1,000.	No. of towns which have water supply.	Population in thousands	Towns which have water supply as per cent. of total number.
Moscow . . . . .	1	1,028	1	1,028	—
Leningrad . . . . .	1	706	1	706	—
Towns with population above 100,000 people	7	1,077	7	1,077	100
Towns from 50 to 100,000 people . . . . .	25	1,732	24	1,642	96
Towns from 20 to 50,000 people . . . . .	54	1,663	38	1,216	70
Towns from 10 to 20,000 people . . . . .	72	1,012	35	506	49
Towns up to 10,000 people	281	1,223	43	219	15
Towns . . . . .	441	8,441	149	6,394	34

It will be at once noted that the large majority of the small towns up to 10,000 population have no water supply at all.

<sup>1</sup> In 1923 the number had risen to about 273, including some which only gave supplies from stand-pipes in the streets.

But it must also be remembered that even the existing water supply is defective and insufficient. The villages have no water supply at all other than that provided by rivers or wells.

In the towns which have a water supply this is under municipal control, but the method of charging for water varies very much. In one town the supply is free (Klin in Moscow Gubernia); in some towns there is a flat rate charge; in others the charge varies according to its use, household or industrial, or according to method of supply in house or in street.

The number of towns in Russia with a regular sewage system is very small; one authority puts the figure at twenty-two towns only for the Soviet Union.

In other ways Russia is beginning to develop more actively; thus Russia possesses good tramway services in Moscow, Leningrad and other large towns. About 40 tramway lines exist in all. Three new tram-lines in Voronej, Poltava and Baku are under construction. In 1922 the number of passengers carried was over 16,000,000 per month as compared with about 4,000,000 per month in the previous year.

The trams in Moscow are the largest item in the Municipal Budget of about £2,000,000 a year. In 1920 the trams were reduced to 202 in number (from 853 in 1914, passengers carried in the year being 283,115,649), and the passengers carried in the year were only 23,689,655. In 1921 the trams had increased to 282 and the passengers to 27,596,620; in 1922 the trams were 435 and the passengers 150,126,462, and the figure mounted higher in 1923 and 1924.<sup>1</sup> Indeed, the problem of town transport in Moscow is being just as much a difficulty as in London or New York. Motor-buses have been purchased and put on the streets and the question of the building of a tube railway is being considered.

### Municipal Enterprise

Speaking generally, all public services in the towns are municipalized in the Soviet Union, but in addition to these

<sup>1</sup> Figures quoted from "Economic Information," edited by Professor S. N. Prakopovitch (*Zeitschrift für Nationalökonomie*, Berlin, 1923).

services there are over 2,000 industrial enterprises under municipal management distributed over more than 700 towns.

Certain municipal undertakings may, however, be leased to private persons, such as baths, hairdressing establishments, and laundries. Cemeteries appear also to be leased in some cases.

Hotels are for the most part under municipal management, but on a business footing, that is to say, they have to pay their own way without any subvention from the rates. Some hotels and *pensions* are, however, under private management.

The land of a town is municipalized, but may be let on lease to workers for allotments or to institutions. Sanitary, Health and Police Departments are conducted in the Soviet Union very much as elsewhere. Traffic control in Moscow, for instance, is very efficient.

### Housing in the Soviet Union

One of the striking effects of the revolution in Russia has been the nationalization and municipalization of houses.

At the present time the following buildings are reckoned as being municipalized :—

1. The buildings municipalized by way of the regulations published by local Executive Committees before May 22, 1922.

2. The buildings municipalized by special regulations of local authority before May 22, 1922, even if these were not brought before the People's Commissariat of Internal Affairs in order to be sanctioned.

3. The buildings which were, in fact, taken from their owners before May 22, 1922.

4. Buildings of private owners which were fully or partly occupied before May 22, 1922, by Government institutions or enterprises which are under the direction of local Executive Committees.

5. Buildings considered, after legal process, to have been kept or used uneconomically.

Municipalized buildings are at the disposal of local Executive Committees. Nationalized buildings are at the disposal of the Central Government. Nationalized buildings are those which have a national or State significance, such as buildings

of the Government Bank, Universities and Higher Educational Institutions, Government Museums, Picture Galleries, State Theatres and Military Barracks.

Houses on the land of State Industrial enterprises are also considered to be nationalized. All other buildings under public control, even if occupied by State institutions, are considered to be municipalized and Government Departments pay rent for their use. The following tables show the number of nationalized and municipalized buildings in the U.S.S.R. in 1923 :—

THE NUMBER OF MUNICIPALIZED IMMOVABLE PROPERTY IN TOWNS OF U.S.S.R. ACCORDING TO CENSUS 1923

Towns.	Total No. of buildings	Nationalized and Municipalized.	Per centage of Nationalized and Municipalized to total No. of buildings.
Moscow . . . . .	27,185	19,089	70.2
Leningrad . . . . .	17,865	13,246	74.1
The capitals of Republics, regions and Gubernias . . . .	333,114	69,471	20.8
Other towns . . . . .	856,275	98,617	11.5
Settlement of town type . .	390,102	36,761	9.3
<b>TOTAL . . . . .</b>	<b>1,624,541</b>	<b>237,184</b>	<b>14.59</b>

The 237,185 nationalized and municipalized buildings in 1923 were occupied :—

	Absolute No.	Per cent
I.—By State Institutes . . . . .	80,266	33.8
II.—By Municipalities sub-divided as follows :	156,919	66.2
(a) Let on lease to private persons and associations . . . . .	54,165	
(b) Transferred to lodging associations . .	17,856	
(c) Transferred to house-communes . . .	916	
(d) Remained under direct management of Communal organs . . . . .	83,980	



MUNICIPALIZED BUILDINGS, EXPLOITED ON LEASE TO PRIVATE PEOPLE  
AND LODGING ASSOCIATIONS

Towns.	No. of buildings.	Let to private people.	Transferred to Lodging Associations.
Moscow . . . . .	7,771	1,959	5,812
Leningrad . . . . .	9,503	2,340	7,163
Capitals of Gubernias, regions, Republics . . . . .	15,650	12,304	3,346
Uyezd and small towns . .	33,917	33,399	1,518
Settlement of town type . .	5,182	5,163	19
TOTAL . . . . .	72,023	55,165	17,858

It will be seen from these tables that it is only in Moscow and Leningrad that municipalization and nationalization of buildings has exceeded 25 per cent. In most of the towns of Russia the percentage of nationalized and municipalized buildings is only 20·8 per cent., and in the smaller towns much less.

It will be further seen that, except in Moscow and Leningrad, the larger proportion of all buildings nationalized and municipalized are re-let to private individuals, only a small proportion being let to associations.

## CHAPTER IV

### Law in the Soviet Union

THE October revolution of 1917 destroyed at a blow the old conceptions of justice and the legalistic machinery of the Tsarist era, and for a long time the country was governed under what practically amounted to martial law and the instruments of this Government were Revolutionary tribunals and the Extraordinary Commission. The Extraordinary Commission was abolished in 1921, for the R.S.F.S.R. (in 1925 it still existed in Transcaucasia), and with the coming of the New Economic Policy in the same year it became necessary to put the new Civil and State relationship set up into proper legal form.

Private property of the pre-revolutionary era is not again set upon its throne, for there is no absolute property in land or in immovable possessions. But by a policy of leases and concessions the Soviet Government has undertaken to give private enterprise the opportunity to do work which it is unable to do itself, and while legalizing and defending contracts necessary for the private trade the largest share of property rights are kept in the hands of the State.

Rights of requisition and confiscation have been abolished and also compulsory labour service. The rights of foreigners are specially protected by the decrees of November, 1920, guaranteeing against confiscation or nationalization.

The whole system of revolutionary and emergency Courts of Justice has been revised and the Supreme Court of Justice set up by the New Soviet Constitution. The Procurator of this Court will have general control over the whole machinery of justice through the Soviet Union.

### The Progress of Law to Stabilization

The need for law exists in every State, and a revolution against an old order may put an end to certain old forms of law ; but, if it is to establish the rule of its new "revolutionary will," it must, in its turn, define a "clear and obligatory" order (to use the words of a Russian writer) upon which the population of the country can base "their practical schemes and calculations."

The theoretical basis of Soviet law is found in the conception that "the law of a country at any period only reflects the economic requirements of the then dominating class forces and forms of production. As all organs of the State have to fulfil the same purpose "there is no need to fix the distinction between legislation, administrative and judicial powers, but only to establish "their spheres and methods of activity."

In the first period of the Russian Revolution the new decrees, or laws, made by the new Government were mainly declaratory in character and indicated an aim or an intention rather than gave a clear definition. But what were practically the old State Courts were restored soon after the revolution, and by the end of 1918 laws dealing with marriage and the family had been worked out and a code of labour and social welfare promulgated which is regarded as a charter "of the rights and duties of the new ruling class—the working masses."

Far from there being an absence of law in Russia since the revolution there has been a plethora of decrees which up to 1921 occupied about 1,000 pages a year of the printed "laws and enactments." And these laws and enactments are dominated by certain general conceptions which are leading to a gradual clarification of ideas and codification of law.

The Soviet Government does not recognize the division of powers of Government into legislative, administrative and judicial. And it gives to all the decrees of the responsible departments, whether they come from the Central Executive Committee (exceptionally) or from the Soviet of People's Commissars or individual Commissars or from provincial or other local authorities an equal validity in

the departments of the life of the community and the geographical region over which they have jurisdiction. Thus a decree affecting the Soviet Union as a whole and of an importance transcending that of any one department will be issued by the Council of People's Commissars of the Union; a matter concerning one department only, such as Transport or Public Health, will be issued by a single Commissar. The constituent Republics of the Union have the same powers and follow the same procedure as the Soviet Union as a whole, while the provinces, Gubernias, Uyezds, Volosts and Villages can all issue binding rules or regulations within the limits of their own jurisdiction.

Among other authorities the Courts of Law of the Soviet Union had "extraordinarily wide powers" in the early days of the revolution and were expected to be guided by a "Socialist sense of law" and a "revolutionary conscience." It was assumed, in fact, that all those entrusted with legal powers would be in touch with the sources of inspiration of the revolution and would guide their decisions accordingly. In the early days and the days of the Civil War the dominating conception was that of the "Class Struggle" and the declaratory decrees of the Government were assumed to be sufficient guides in the conduct of that struggle. But even during the period of military communism it became evident that legal powers required some further definition. There were set up, therefore, attached to different Commissariats, Boards whose duty it was to hear complaints and to ensure the legality, expediency and harmony "of the acts of the different organs of the State and of the Courts."

A further step in the same direction was an attempt at the definition of the respective powers of local and national or central authorities with regard to taxation, legislation and administration.

By October 21, 1920, the progress towards definition had gone so far that a decree gave the Commissar of Justice power to control the legality of decisions of the Courts and the sentences imposed by them. It may be noted that the legal confusion in the early part of 1920 was so considerable that the Soviet Government sent one or more travelling commissars

all over Russia and Siberia examining prisoners and ordering the release of those detained without due reason. It was found that many prisoners were detained about whom no information was available at all. Large numbers of persons were released and the speedy trial of very many more ordered. A further decree of March 21, 1921, gave the Commissar of Justice still further authority and he was empowered to cancel the decisions of Courts or the sentences imposed by them if contrary to the law of the Soviet Government or if it contradicted "the underlying principle of Soviet legislation or the general policy of the Government."

The coming of the new Economic Policy in the spring of 1921 gave an impetus to the process of simplification and classification already well begun and introduced again those laws of private property which had had a very attenuated existence up to the end of 1920. But the Soviet Government never entirely denied the rights of private property and of private legal relations, for these rights and relations were maintained to some extent, especially in connection with agriculture, even at the height of the military Communist period.

In May, 1922, the Decree on fundamental property rights was promulgated giving all citizens the right "to engage in all professions and occupations permitted by law" and extending the protection of the Courts to personal property rights. The Civil Code which systematizes the law of private property and contractual relations was issued in November, 1922, and came into force in the Union on January 1, 1923.

Among other provisions the Code carries the evolution of the control of Law Courts a stage further than the decree conferring power of control and cancellation on the Commissar for Justice by setting up the right of Appeal to a Supreme Court. It is further laid down that the Judges in their decisions must be guided by the law and the general policy of the Government apart from any private or personal bias.

Another constitutional development which has had a great effect on Soviet Law was the separation of the Executive Organs of the State Economic Policy from the political. Such Executive organs are now juridical "persons" and disputes

between such organs and private or other bodies have to be settled before special Commercial Courts called Arbitration Commissions brought into existence by the decree of September 21, 1922. These Commissions are, in fact, part of the State Court, their decisions are binding, enforceable and they are bound to be guided only by the "Standing Laws and Legal Enactments of the Authorities"; they must include a person with legal training and a business man. The general policy of the Government is not a factor which has to enter into the consideration of their decisions and it is stated that up to the present the decisions of the Commissions differ very little from those of the former Commercial Courts of the Old Russia. The legal system of Russia, like the other parts of its life, is thus reaching toward a greater and greater stabilization. The period of declaratory proclamations and of legal irregularities has passed. The period now being reached is that of classification and of codification.

### The Codes

The four Codes of Law in the Soviet Union are the Civil Code, the Criminal Code, the Land Code and the Labour Code. A Commercial Code has been drafted but not ratified.

The Criminal Code came into operation on July 1, 1922; the Labour Code on November 15, 1922; the Land Code on December 1, 1922; and the Civil Code on January 1, 1923.

The purpose of all these Codes is to unify legislation and procedure. The Criminal Code contains a definition of new crimes involving danger to the country, economic security and concerning the separation of Church and State. The maximum term of imprisonment is ten years, but cases of serious crimes including counter-revolutionary conspiracy, attempts at bribery, highway robbery and certain sexual crimes can be punished with death. In the first year of the working of the Criminal Code statistics in twenty-five provinces and districts showed a total of 776,110 persons tried and 582,448 persons convicted (75 per cent.). Of the persons convicted 1 per cent. were sentenced to death and the remainder were about equally divided between imprisonment

and fines by attachment of property. A certain proportion—about 3 per cent.—were punished by public censure.

The Labour Code is based on the fundamental Labour Laws of the Code established in 1918 with modifications required by the New Economic Policy and includes provisions for collective agreements, arbitration in case of dispute and a definition of the rights of Trade Unions. Choice of occupation is now voluntary in Russia and an employee may leave his employment or transfer to another employment in the same way as he may do in Great Britain.

The Land Code emphasizes the ownership of all land by the State, but lays down the conditions on which the land may be used by individuals or organizations. The method of present cultivation in Russia is very primitive and uneconomic with many analogies with the land system in England before the Industrial Revolution. One aim of the Land Code is to increase the use of the land and encourage more scientific farming.

The Civil Code establishes the rights of contract mortgage and leasing and defines the limits of property rights in buildings, commercial undertakings and other private interests as regards private individuals, co-operative organizations and public companies. The whole of the laws are based on a communistic conception of society as against an individualistic, and have a definite class-bias in favour of the worker or the peasant as against the members of other classes of society. That is to say, that full citizenship is granted only to those persons, workers or peasants, who are conceived of as co-operating members of a community aiming at the realization of communist projects in social life. To the critic who speaks of the "injustice" of these class-conceptions the Communists of Russia reply by pointing to the class-bias of the law of Western European states as shown in the land laws, game-laws, class privileges of aristocracy and property inheritance and privileges of wealth and position generally.

The instability that has prevailed in legal relationships in Russia up to a recent date does not however arise from the nature of the legal or class conceptions underlying those laws but from the chaotic conditions brought about in Russia by

war, revolution, counter-revolution and famine. Out of this chaos the Soviet Union has emerged and the legal conditions of life in Soviet Russia will form a basis for social existence much in the same way as the legal conditions of life in Western European countries form a basis for social existence there, the actual conditions of life being controlled by social tradition and methods of social organization apart from the bare framework of legal structure.

### The Civil Code

The decree bringing the Civil Code into operation contains certain important provisions and is quoted in full.

1. The Civil Code comes into force from January 1, 1923.
2. No disputes whatsoever arising out of civil rights and obligations prior to November 7, 1917, shall be tried by the judicial or other institutions of the Republic.
3. Disputes relating to civil rights and obligations which have arisen in the intervening period from November 7, 1917, up to the coming into force of the Civil Code of the R.S.F.S.R. shall be regulated in accordance with the laws current at the time.
4. In so far as rights and obligations established by the laws current at the time when they arise are not sufficiently fully regulated by such laws, the provisions of the Civil Code of the R.S.F.S.R. shall be applicable to them.
5. Interpretations extending the provisions of the Civil Code of the R.S.F.S.R. shall be permissible only in cases where the safeguarding of the interests of the workers' and peasants' government and of the working masses makes this necessary.
6. Any interpretation of the provisions of the Code on the basis of the legislation of preceding governments or the practice of pre-revolutionary courts is prohibited.
7. The general three years' limit for civil actions shall apply also in the case of rights and obligations which have arisen prior to the coming into force of the Civil Code.
8. The rights of citizens of foreign States, with which the R.S.F.S.R. has entered into definite agreements, shall be regulated in accordance with these agreements.



In so far as the rights of foreigners are not provided for in the agreements with the States concerned, or by special legislation, their rights to freedom of movement throughout the territory of the R.S.F.S.R., choice of occupation, establishment and acquisition of trading or industrial enterprises, acquisition of real rights in buildings and land, may be restricted by decisions of the corresponding central departments of the government of the R.S.F.S.R. in agreement with the People's Commissariat for Foreign Affairs.

*Note 1.*—Foreign share companies, firms, etc., acquire the rights of legal persons in the R.S.F.S.R. only on the basis of special decisions of the Government.

*Note 2.*—Foreign legal persons not authorized to conduct business in the R.S.F.S.R., have the right to legal enforcement in the R.S.F.S.R. of claims arising outside the territory of the R.S.F.S.R. and relating to respondents resident within its territory, but only on the basis of reciprocity.

9. The Civil Code shall apply throughout the whole territory of the R.S.F.S.R.

The Central Executive Committees of autonomous Republics may, with the sanction of the presidium of the A.R.C.E.C. introduce amplifications and modifications of the Code which are necessary for the purpose of bringing it into conformity with the special conditions in the Republics concerned.

(Signed) M. KALININ, Chairman of the A.R.C.E.C.

KURSKY, People's Commissary for Justice.

ENUKIDZE, Secretary of the A.R.C.E.C.

KREMLIN, MOSCOW, November 11, 1922.

Only the outline of the remainder of the Code need be given.

Clause 1 of the General Section of the Civil Code lays down an important principle.

1. Civil rights are protected by law except in cases where their enforcement would be inconsistent with their social or economic purpose.

This clause needs to be read in conjunction with other clauses as follows :—

Clause 4. With the aim of developing the productive forces of the country the R.S.F.S.R. grants legal status (the

right to enter into civil rights and obligations) to all citizens whose rights have not been restricted by the Courts.

Sex, race, nationality, religion and birth shall have no bearing whatever in relation to legal status.

Clause 5 guarantees freedom of movement, residence and choice of occupation, the right to acquire and dispose of property, to enter into contracts and to organize industrial or trading enterprise.

Clauses 13 to 16 regulate the existence of corporations and companies.

Clause 17 defines the State monopoly of Foreign Trade with exception only "in cases specially sanctioned by law and only under the control of the People's Commissariat for Foreign Trade."

The Clauses that deal with property rights state that Land remains State property and cannot be alienated. Nationalized and municipalized undertakings are "withdrawn from private circulation," but may be leased.

But the following may be privately owned (Clause 54): "buildings not municipalized, commercial enterprises, industrial enterprises employing hired workers in numbers not exceeding that laid down in special decrees, tools and instruments of production, money, securities and other valuables, including gold and silver money and foreign currency, articles of household and personal use, commodities the sale of which is not legally prohibited and property of every kind not withdrawn from private circulation."

Other undertakings may be the object of private ownership on the basis of concessions granted by the Government. Co-operative organizations are exempted from restriction of ownership according to the number of persons employed.

The right of property in buildings in towns is limited to forty-nine years for stone buildings and twenty years for other structures. Such rights may be alienated or mortgaged. When a building is handed over to the public authority at the end of the period the owner will be paid the value of the building as assessed by a special commission against which an appeal lies to the Civil Court.

All property (Clause 181) which has not been withdrawn

from private circulation may be bought and sold. (There are special regulations governing the sale or purchase of gold, silver and foreign exchange).

Clause 182 states: Dwelling houses which have not been municipalized may be bought and sold provided that: (1) the transaction will not place two or more estates (i.e. the home and adjacent habitable service buildings) in the hands of the purchaser, or (2) that he or his wife or children who are minors have not sold more than one estate in the course of three years.

### Joint Stock Companies

The Clauses in the Civil Code dealing with Joint Stock Companies have a special interest for business men and are given in greater detail.

322. A joint stock company is one founded under a special trade name with a basic capital divided into a definite number of equal parts (shares), the liability of the company being limited to the property of the company.

323. A joint stock company is founded on the basis of articles administered by the founders through a chief committee, after confirmation by the Chief Committee on Concessions and Joint Stock Companies of the Council of Labour and Defence, and, in the case of a concession, after confirmation by the Council of People's Commissaries.

324. The articles of association as issued after confirmation by the Government must be signed by not less than five of the founders, and it is compulsory that they should indicate :—

- (a) The object and nature of operations of the company.
- (b) The designation or trade name, which must correspond to the objects of the enterprise and contain the words "Share Company."
- (c) The place of the chief office of the company.
- (d) The period for which the company is founded, if founded for a definite period.
- (e) The amount and method of organization of the basic capital, and the value and method of payment of the shares.
- (f) The governing bodies of the company (General Meeting,

Directorate, Supervising Committee, or Council, if such is included in the articles) and their powers.

- (g) Regulations concerning the summoning of the General Meeting, its rights and the voting rights of shareholders.
- (h) The dates of the beginning and end of the financial year, the method of compilation, examination, and confirmation of the accounts and balance sheet.
- (i) The method of division of the dividend and the composition of the reserve capital.
- (j) The method of accounting.
- (k) The manner of winding up the activity of the company.

*Note.*—The basic capital may not be less than 100,000 gold roubles. The value of the shares may not be less than 100 gold roubles.

325. A decree of the Council of Labour and Defence on the confirmation of the articles of a joint stock company is published in the *Izvestia* of the All-Russian Central Executive Committee, while the articles are printed in the *Collection of Decrees and Regulations of the Workers' and Peasants' Government*

326. On publication in due order of the articles of the joint stock company, the whole amount of the shares must be divided between the founders and the persons invited by them to participate in the company ; for this purpose the invitation may be made by public advertisement.

The founders are required to reserve for themselves not less than one-tenth of the issue shares and they may not dispose of them until after the confirmation of the accounts for the second financial year. Similarly, they may not until the end of the same period dispose of the founders' shares belonging to them.

331. In the signed lists of shares and in the advertisements inviting public subscription (the prospectus) it is compulsory that the following information should be included :—

- (a) The time of publication of the articles of the company.
- (b) The amount of shares retained by the founders for themselves.

(c) The value of the shares, the method and period for payment of them.

(d) The value of the property held by the founders.

*Note 1.*—The price of issue of the shares may not be less than par.

*Note 2.*—In cases where special privileges are offered to one or other of the founders or other persons in connection with the foundation of the company, and equally where special privileges are given in regard to subscription shares and the period for the payment of capital, all these rights and privileges must be specially mentioned in the articles of the company and in the lists of shares subscribed.

336. Notice of registration of the company must contain :—

(a) The articles of the company as confirmed by the Government.

(b) The general list of shareholders signed by the governing body with the statement of the number of shares apportioned to each and of the amount of the deposit paid by each.

(c) A copy of the protocols of the Preliminary and Foundation General Meeting.

(d) A copy of the accounts of the founders.

(e) A copy of the report of the committee elected to scrutinize the accounts of the founders.

(f) An inventory of the property of the company.

*Note.*—The chief committee for concessions and joint stock companies has the right, if it considers it necessary, to make an examination of the legality of the foundation of a given company, and in particular an examination of the actual personal property specified in the inventory, and of the correctness of the valuation.

358. A joint stock company is compelled to publish annually its accounts and balance sheet in the prescribed form.

359. In order to cover deficits which may be shown in the yearly accounts, a reserve capital fund must be constituted by allotting to it at least one-twentieth of the net profits until the fund reaches the amount laid down in the articles. To the reserve capital is also apportioned amounts above the

nominal value of the shares, on the completion of the issue of the latter.

360. The Revising Committee is elected for one year and consists of three or more shareholders. A minority of shareholders, representing not less than a tenth of the basic capital, may demand that there should be elected from amongst them a member of the Revising Committee. In such a case, shareholders composing the above-mentioned minority cannot take part in the election of other members of the Revising Committee. The function of the Revising Committee is the examination of the annual accounts of the Governing Board, of the funds and properties of the company, the preliminary investigation of all estimates and plans of the company for the coming year, and in particular the supervision of all business arrangements and methods of book-keeping and accounting.

*Note.*—The members of the Revising Committee are collectively responsible for the losses caused by the destruction of articles entrusted to them, either to the company or, in the case of invalidity of the company, to its creditors.

364. A joint stock company is wound up (a) after the expiry of the period for which it was founded, (b) by decree of the General Meeting of shareholders on winding up its activities, or on amalgamation of the company with another joint stock company, (c) by declaration that the company is invalid, and (d) by a Government decision in cases where the company goes outside the objects laid down in the articles, and also in cases where its organizations act contrary to the interests of the State.

*Note 1.*—The winding up of a company is registered and published in the same way as its foundation.

*Note 2.*—An agreement for the amalgamation of one company with another is concluded by their governing bodies on a basis determined by the General Meetings of shareholders with the observance of the rules as to the method of changing or adding to the articles of the company.

365. The liquidation of the company, not declared invalid in the courts, is brought about, if not otherwise laid down in the articles, by a special liquidating committee elected by the General Meeting. In case of delays in the election of liqui-

dators they are appointed by a local people's court on the demand of shareholders who represent not less than one-twentieth of the basic capital. The liquidators of a joint stock company, declared invalid by the courts, are appointed by the court which decided the invalidity of the company. The liquidators, from the time of their appointment, replace the Governing Board of the company, and act in everything according to the instructions of the General Meeting or the enactments of the law, and are responsible in the same degree as members of the Governing Board to the creditors of the Company or to the shareholders for all losses caused by them.

### Foreign Firms in Russia

Foreign Firms are allowed to conduct business in Russia under the terms of the Decree of April 12, 1923, published in *Izvestia* on May 26, 1923, and dated May 12, 1923, which is quoted below.

1. The term "foreign firms" in the present regulations covers all individual or collective enterprises (full partnerships, partnerships on credence, joint stock companies, etc.), formed outside the territory of the R.S.F.S.R. and the allied Soviet Republics, and having a legal right to carry on trade operations in the country in which they are domiciled (in virtue of the confirmation of the memorandum and articles of a joint stock company, or the registration of an enterprise with the appropriate authorities, the taking out of an industrial patent, etc.).

2. Foreign firms desiring to carry on trade operations or to open offices, agencies, etc., in the R.S.F.S.R. and the allied Soviet Republics must make an application, with payment of the established stamp duty, to the Commissariat for Foreign Trade, embodying the following particulars:—

- (a) The name of the enterprise, its governing bodies, the sphere of its activities, and its location.
- (b) The date when the enterprise was formed, and proof of its legal existence in the country of domicile.
- (c) The date and the place of ratification or registration of its statutes (memorandum and articles of association, or association agreement) in virtue of which the

enterprise carries on its activities in the country of domicile.

- (d) The period for which the enterprise is to exist, if such period is defined in the statutes in virtue of which the enterprise operates in the country of domicile.
- (e) The authorized capital of the joint stock company or association with limited liability, to whom the enterprise belongs, and the actual amount of capital already subscribed.
- (f) General information as to whether the enterprise had carried on operations in Russia before the war and before 1917; if so, in what district and with what firms.
- (g) Whether the enterprise had carried on any operations in the R.S.F.S.R., or the allied Soviet Republics, or with their trade representatives abroad, after 1917; if so, with which.
- (h) The exact nature of the trade operations which the enterprise proposes to conduct (export, import, or internal trade), the district in which it will operate, the nature of the goods, the trading machinery which it anticipates, the scale of the proposed operations, and the capital to be employed in the business, and whether the trade will be on its own account or on a commission basis.
- (i) Whether the enterprise desires to appoint any State organization as its agent for the sale of its goods, if so, on what conditions; or whether it proposes to appoint as its agent a private individual, in which case the name and residence of this individual should be stated.

*Note.*—In addition to the above information foreign firms may supply other material relating to the nature of their enterprise.

3. All the information mentioned in Paragraphs (a) and (e) of Paragraph 2 must be vouched for by the documents required for verification (the memorandum and articles of joint stock companies, association agreements, etc.). These documents must be furnished in certified copies witnessed in the usual



manner by the appropriate offices abroad of the R.S.F.S.R. In addition, enterprises which are obliged to publish accounts must also furnish certified copies of their balance sheets and accounts for the last period of operation.

4. All documents enumerated in Paragraph 2 of these regulations are to be sent to the People's Commissariat for Foreign Trade in one original and two copies certified by the enterprises concerned.

5. Agents of foreign firms making application on behalf of an enterprise must furnish with their application a certified power of attorney, endorsed by the Trade Delegation.

6. Within a period of not more than one month after the receipt of the documents, the People's Commissariat for Foreign Trade must give a reasoned decision on the application of a foreign firm, and must submit the matter, together with its own conclusions, to the Chief Concessions Committee, which will examine the question in the usual manner.

7. Permits are granted for a definite period of from one to three years. Should an extension of this period be desired, two months prior to its termination the firm must make an application to this effect to the Commissariat for Foreign Trade.

*Note.*—Should the firm receive no reply before the termination of its permit, the latter remains in force automatically up to the time when such reply is received.

8. Should the firm not start operation within three months after receiving a permit, the latter becomes invalid.

9. A foreign firm which has received a permit to transact business in the R.S.F.S.R. and the allied Soviet Republics must establish its own permanent agency, departments, offices, etc., at the points indicated in the permit issued to it. At the head of such agency, etc., there must be a special authorized agent of the firm, who shall be permanently domiciled in the territory of the R.S.F.S.R. or the allied Soviet Republics.

This agent must be fully empowered to represent the firm in its dealings with the Government of the R.S.F.S.R. and the allied Soviet Republics, as also with private persons on all matters, both in the courts and otherwise, arising from the

activities of the firm on the territory of the R.S.F.S.R. and the allied Soviet Republics, and must be responsible as agent, at his place of residence, in connection with all law-suits arising out of the firm's operations on the territory of the R.S.F.S.R. and the allied Soviet Republics.

*Note.*—Should the accredited person be temporarily absent he must have authority, and is obliged, to transfer his power of attorney to a substitute.

10. A foreign firm in all its activities on the territory of the R.S.F.S.R. and the allied Soviet Republics is subject to all laws and regulations, whether current now or subsequently applied by the Government of the R.S.F.S.R. and the allied Soviet Republics; in particular to the legislation and regulations of the Government of the R.S.F.S.R. and the allied Soviet Republics regarding State supervision of the activities of trading and industrial enterprises, labour protection of the workers and clerks employed by them, taxation, registration, publication of accounts, etc.

11. The liability of foreign firms in connection with their operations in the R.S.F.S.R. and the allied Soviet Republics extends to all their movable and immovable property, wherever such may be situated.

*Note.*—Property in the R.S.F.S.R. and allied Soviet Republics belonging to foreign firms, as well as all revenues accruing to them from operations in the R.S.F.S.R. and the allied Soviet Republics, must be used in prior satisfaction of claims arising out of its operations in the R.S.F.S.R. and the allied Soviet Republics.

12. Permits to conduct trade operations in the territory of the R.S.F.S.R. and the allied Soviet Republics are invalidated—

- (a) At the termination of the period for which the permits have been granted.
- (b) If the firm ceases to exist abroad.
- (c) If the firm breaks the conditions in accordance with which it was granted the right to operate in the territory of the R.S.F.S.R. and the allied Soviet Republics.

13. All agencies of foreign firms carrying on operations in

the R.S.F.S.R. and the allied Soviet Republics prior to the publication of the decree issued by the All-Russian Central Executive Committee and the Council of People's Commissaries on April 12, must, if they desire to continue their work, make an application to this effect to the Commissariat for Foreign Trade within a period of one month from the publication of the present regulations. Such firms must submit, in addition to the particulars required under the present regulations, information regarding the area and character of their activities in the R.S.F.S.R. up to date. When such application is lodged, together with all the documents required under these regulations, the firm will be given a receipt by the Commissariat for Foreign Trade. The applications of the foreign firms referred to will be dealt with in due course, but existing agencies of foreign firms to whom receipts have been issued in respect of such applications may continue their activities pending a decision on their application.

(Signed) KURSKY, People's Commissary for Justice.

LEZHAVA, Chairman of the Committee for Internal Trade.

LITVINOV, Assistant People's Commissary for Foreign Affairs.

FRUMKIN, Assistant People's Commissary for Foreign Trade.

PIATAKOV, Chairman of the Chief Concessions Committee.

### The Land Code

The Land Code fixes the existing distribution of land at the time of the coming into force of its provisions (May 22, 1922) as the basis for consideration of the rights of landholders and gives fixity of tenure. Further expropriation is stopped and no one is to be deprived of land except after due legal process and according to the provisions of the Land Code. This applies even when expropriation of landholders ordered in 1918 was not carried out in error and their claim has to be judged according to provisions of the present Code. The Code declares all land to be vested in the Government who grant the right to use it, by Clause 4 of the Code to (1).

Agricultural workers and associations of such workers, (2) Town settlements, (3) Government Institutions and Enterprises. The existing boundaries of towns are accepted as the boundary of administration of Town Soviets and their land is dealt with by special legislation and not by the Land Code, and towns also have right to land for waterworks, fields for Irrigation, etc. Land which is not held by individual users, or by towns or by Government Departments (such as the land required for railways, military works, the upkeep of educational institutions and the like) is vested in the Government and remains at the disposal of the Commissariat of Agriculture. The amount of such land is very great. Forests and Mines are excluded from the Government Land Reserve and are specially dealt with. The right to use land is declared to belong to all citizens of the Soviet Union (without distinction of sex or of nationality) who desire to cultivate it by means of their own labour power and that of their households. If a landholder fails to use land for a period of three years without a satisfactory reason, then his right to the land lapses.

A landholder may cultivate or use land in whatever manner seems best to him and may erect on the land any buildings necessary for the purpose. Buildings, crops or anything on the land is the landholder's own property which he may deal with—sell, mortgage, lease—as he thinks proper. But the land itself may not be sold, mortgaged or donated. Purchase of land is expressly forbidden. But land may be leased for a period equivalent to the time necessary in the district for one rotation of crops according to the prevailing method of culture. This is usually three years but may be four years. By special arrangement an extension of the lease may be sanctioned for a further period of three years, but not for more than six years in all. Leasing of lands is only permitted when the landholder is himself unable to use it owing to insufficiency of stock or equipment, bad harvests or such difficulties as are created by Army Mobilization. And the lessee of the land must be able to cultivate the land leased by the use of his own labour and that of his household. Typical forms of lease are being worked out by the Provincial

**Authorities.** Hired labour is permitted where the resources of a household are insufficient to supply all the labour needed.

All questions of distribution and tenure of land and all disputes in connection with land are dealt with by special Land Committees.

In each Rural District (Volost) there is a Committee working in touch with the Volost Executive Committee and consisting of a Chairman appointed by this Committee and two members elected by the Volost Congress of Village Councils. A similar committee deals with Land questions in the County (Uyezd) and Provincial (Gubernia) areas, the Chairman in each case being appointed by the appropriate Executive Committee, the two members being (1) the manager of the land department of the area and (2) the Civil Judge of the area. The highest Land Court is composed of the Commissar of Agriculture, the Commissar of Justice and a special Committee of land experts.

Much of the land of the Soviet Union is worked by households in more or less close association with one another in several traditional ways. The peasants usually live together in villages and go out from them to cultivate their land which may be miles distant.

The Land Code provides rules for the redistribution of land at intervals (also practised before the revolution) according to the method of farming adopted.

Farming may be purely individual, the peasant living on his lands which are in one aggregation. Or farming may be communal, the peasants living together and sharing in labour on land partly allotted to individuals and partly set aside for general use. Much of the cultivation of Russia is done by peasants living in villages who go out from them to cultivate their land at some distance away. The land is very often in divided strips (Tcherespolositza); when the strips are side by side they are called Otrub, and when the land is in a compact individual block (like English farms) it is called Khutora. A certain amount of the Government Land Reserve is used in the form of Special Soviet Farms which help in popularizing scientific methods of cultivation and in improving the breeds of stock, while at the same time

serving as experiments in Communal and State organization.

During the earlier part of the Soviet regime the Government exercised great pressure on the peasants to induce them to take up communal farming and actively discouraged the working of individual farms by the peasants as the carrying on of the changes in land cultivation begun by Stolypin before the war. With the coming of the New Economic Policy, however, the pressure towards Communal farming has been relaxed and the opposition to individual farming has been removed. It is now hoped to get the increase of production required by means of co-operation.

### The Labour Code

This code has a special interest for all persons outside Russia who are interested in any way in questions of the relations of Capital and Labour and a full quotation is given of certain of the clauses which express leading ideas.—

1. The Code of Labour Laws shall apply to all persons working for hire, including domestic workers, and shall be binding upon all enterprises and institutions (State, not excluding military institutions, public and private—including those employing workers in their homes), and upon all persons employing paid hired labour.

*Note.*—The Council of People's Commissaries is instructed to issue a special decree establishing the limits within which the present Code is not applicable to home workers.

### Labour Exchanges

5. Citizens of the R.S.F.S.R. shall offer their voluntary labour services through the organs of the People's Commissariat for Labour, with the exception of the cases provided for by Article 9.<sup>1</sup>

<sup>1</sup> 7. The hiring of all labour power without exception by enterprises, institutions, estates (State, public and private) as well as by individual employers shall be done through the

<sup>1</sup> This means by registration at Labour Exchanges, but this is no longer (1925) compulsory; the Exchange must, however, register the employment obtained after it has been obtained.

intermediary of the appropriate department of the People's Commissariat for Labour in the following manner:—

- (a) The request for labour shall be forwarded by the management of the enterprise, institution, or individual employer to the appropriate department of the People's Commissariat for Labour.
- (b) Should the department have on its registers persons possessing the qualifications enumerated in the demand, they shall be sent to fill the post according to procedure to be established by the People's Commissariat for Labour in agreement with the All-Russian Council of Trade Unions.
- (c) The employer must inform the department of the People's Commissariat for Labour, according to procedure to be established by the latter, whether the person sent has been hired or rejected.

9. Workers may be offered employment otherwise than through the intermediary of the departments of the People's Commissariat for Labour, but with compulsory subsequent registration with the latter, in the following circumstances:

- (a) where political reliability, or special qualifications connected with the personality of the candidate, is demanded, and
- (b) where the required labour power cannot be supplied by the departments of the People's Commissariat for Labour within a period of three days after demand.

### Compulsory Labour

11. In exceptional circumstances (natural calamities, or an insufficiency of labour power for the fulfilment of work of primary State importance) all citizens of the R.S.F.S.R., with the exception of those enumerated in Articles 12 to 14, may be called upon to perform compulsory labour service by a special decree of the Council of People's Commissaries, or by bodies empowered by it for this purpose.

12. In no case shall the following persons be liable to be called upon for compulsory labour service: (a) persons under eighteen years of age; (b) men above forty-five years of age; and (c) women above forty years of age.

13. The following shall be exempt from compulsory labour

service: (a) persons temporarily incapacitated by reason of illness or injury, for a period necessary for their recovery; (b) pregnant women, for a period of eight weeks before and eight weeks after confinement; (c) women breast-feeding children; (d) military and labour invalids; and (e) mothers of children under eight years of age who are not being cared for by other persons.

### Collective Agreements

15. A collective agreement is a contract concluded by a trade union (Articles 152 and 153) as the representative of the employees, on the one hand, and by the employer on the other, which lays down the conditions of labour and of hire for individual enterprises, institutions, or groups thereof (Article 17), and defines the contents of the subsequent personal (labour) agreements of hire (Articles 27 and 28).

21. Collective agreements must be drawn up in writing and must be registered with the Commissariat for Labour, which has the right of vetoing such parts of the agreement as establish worse conditions than those fixed by existing legislation (Article 19). The method of registering collective agreements shall be established by the People's Commissariat for Labour.

*Note.*—The veto by departments of the People's Commissariat for Labour of certain clauses of a collective agreement shall not hinder the registration of the remainder of the agreement, if both parties declare their consent.

26. The bodies primarily responsible for supervising the execution of collective agreements shall be the Assessment and Disputes Commissions (Article 172).

### Labour Agreement

27. A labour agreement is a contract between two or more persons, of which one side (the employee) offers his labour power to the other side (the employer) for payment. Labour agreements shall be concluded whether collective agreements exist or not.

29. The conclusion of the labour agreement must be accompanied by the issue of wages books to all employees (except members of the management) in all undertakings and institu-



tions independent of their number. The issue of wages books is not obligatory where the labour agreement is for a period of less than one week.

*Note 1.*—Where a labour agreement is concluded with an artel, wages books must be issued to each member of the artel, in addition to the book issued to the artel generally.

*Note 2.*—The method of issue, and the contents of the wages books, shall be defined by special legislation.

33. Where a labour agreement is concluded with an artel, the employer shall assume for each member of the artel performing work provided for by the agreement the same responsibilities and privileges as though agreements had been signed with each individual.

34. Labour agreements may be concluded: (a) for a definite period of not more than one year; (b) for an indefinite period, or (c) for a period necessary for the performance of a definite piece of work.

35. An employee may not without the consent of the employer transfer the work demanded of him to another person. An artel may, if not otherwise provided for in the labour agreement, itself distribute the work among its members, or replace one member by another.

37. The transfer of an employee from one enterprise to another or from one locality to another, even though the latter is in conjunction with the transfer of the whole enterprise, may not take place without the consent of the employee; where this is not given the labour agreement may be annulled by either side, but in either case the employee must be paid the allowance in lieu of notice (Article 89).

42. An employer must give an employee, at the latter's request, a certificate stating how long and upon what work the employee was engaged with him. The inclusion of secret or agreed signs in the certificate is forbidden.

The exchange of secret communications between employers, designed to establish the conditions upon which workers shall be hired, is forbidden.

44. A labour agreement shall terminate: (a) by the mutual agreement of the parties; (b) at the expiry of its terms; (c) at the conclusion of the stipulated work, or (d)

by declaration of either party in the manner provided for in Articles 46 and 47. The transfer of the institutions or enterprise from one department or owner to another shall not terminate a labour agreement.

46. An employee may at any time demand the annulment of an agreement concluded for an indefinite period, but he must give the employer notice at least one day in advance, if he is paid fortnightly or monthly.

47. An agreement concluded for an indefinite period may be annulled, and an agreement for a definite term may be annulled before the expiry of its term on the demand of the employer, in addition to the cases provided for in Articles 36 and 37, only in the following circumstances :—

- (a) Where the enterprise or institution is partially or completely shut down, or where work is reduced.
- (b) Where from economic causes work ceases for a period of more than one month.
- (c) Where the employee subsequently proves himself unfit for his post.
- (d) Where, without sufficient cause, the employee systematically fails to fulfil the duties demanded of him by the agreement or by the rules for internal management.
- (e) Where the employee has committed a crime directly connected with his work and sentence has been carried into effect, or where the employee is kept under arrest for a period of more than two months.
- (f) Where the employee, without sufficient cause, fails to put in an appearance for more than three days in succession, or for more than six days in one month.
- (g) Where as the result of temporary incapacitation the employee fails to return to work after the lapse of two months, or, in the case of a woman giving birth to a child, two months after the period of four months provided for in Article 42.

*Note 1.*—The annulment of an agreement in the circumstances provided for in Clauses (c) and (d) may not take place except by the decision of the Disputes Commission.

*Note 2.*—The annulment of an agreement with an employee who is a member of the Works' Committee, or a similar body,

shall be effected as provided for in Article 160 of the present code.

*Note 3.*—When an agreement is annulled in the circumstances provided for in Clauses (a), (b) and (c), the employer must give the employee two weeks' notice of discharge, and compensation must be paid in the ordinary way (Article 88).

48. An agreement concluded for a definite term may be annulled by the employee before the expiry of that term in the following circumstances:—

- (a) If he is not paid the stipulated wages at the stipulated time.
- (b) If the employer fails to fulfil the obligations assumed by the agreement or imposed upon him by the labour laws.
- (c) If the employer, the management, or members of their families behave in an offensive manner towards him.
- (d) If the sanitary conditions of work change for the worse.
- (e) In any other circumstances specially provided for by law.

*Note.*—On the protest of the employer, the authenticity of the circumstances provided for in Clauses (a), (b), and (c) shall be established by the Disputes Commission, or where such does not exist, by the procedure provided for settling disputes.

## Management

50. Regulations for internal management for the purpose of fixing the conditions of labour shall be drawn up in all enterprises and institutions employing not less than five persons. These regulations are binding upon all employees only if they have been drawn up in the manner provided (Articles 52–55) and brought to the notice of the employees.

53. Typical regulations for internal management will be issued by the Commissariat for Labour, in conjunction with the All-Russian Council of Trade Unions and the Supreme Economic Council.

*Note.*—Until regulations for internal management have been drawn up in any enterprise or institution, and been duly approved (Article 54), the typical regulations issued in

accordance with Article 53 shall be binding upon that enterprise or institution.

### Output

56. Standards of output shall be drawn up jointly between the management of an enterprise or institution and the Trade Union, or the appropriate organ of the Trade Union (Articles 151 and 156).

57. An employee failing, owing to his own fault, to reach the standards of output under normal conditions of labour shall receive wages in accordance with the amount of work performed, but in no case less than two-thirds of his wages scale. Should he fail systematically to reach the standard of output, he may be discharged in accordance with Article 47 and note thereto.

*Note 1.*—For the purpose of this paragraph normal conditions of labour shall be regarded as:—

- (a) Machines, lathes, benches, etc., must be in a fit working state.
- (b) Materials and tools must be provided at the proper times.
- (c) Materials and tools must be of the required quality.
- (d) Proper hygienic and sanitary arrangements (lighting, heating, etc.) must be provided at the place of work.

*Note 2.*—For minors not working a full day, but engaged upon time work, the standards of output shall be the adult standards of output reduced in accordance with the length of their working day.

### Wages

58. The amount an employee shall receive in return for his labour shall be fixed by collective agreements and labour agreements.

59. The amount of payment shall not be less than the compulsory minimum fixed by the State at the given period for the given category of labour.

60. The amount of payment shall in the agreements be calculated either on a time basis in accordance with the normal working day (Article 94 *et seq.*), or a basis of piece-

work. Payment for overtime shall be specially fixed by the agreement, but must not be less than one and a half times the normal payment for the first two hours, and double for subsequent hours and for work performed upon rest days and holidays (Article 109 *et seq.*).

61. Minors shall be paid for a reduced working day as for a full day, in accordance with their Labour category. The People's Commissariat for Labour shall be empowered to establish the scales of payment and the method of calculation for minors in accordance with the nature of, and the conditions prevailing in, the branch of industry concerned.

66. Payment for labour shall be made in currency and, if so provided for in the labour or collective agreement, in kind (housing, food, articles of general consumption). The conditions of payment in kind and the methods of calculating such payments shall be defined in the agreement.

67. Payment for labour shall be made in working time and at the place of work.

69. Workers about to take their ordinary holiday shall be paid in advance an average wage for the period of holiday.

77. Workers and employees shall be paid an average wage (Article 68) for absence in order to exercise their electoral rights, where such is permitted in working time by the appropriate State organ.

78. Workers and employees called upon to attend a court of law either as witnesses, experts, or magistrates shall receive an average wage during the period they are fulfilling the duties imposed upon them by the legal authorities.

79. Workers and employees elected as representatives to congresses, conferences, and executive meetings of State, Trade Union and Co-operative (uniform consumers' Co-operatives) bodies shall be paid an average wage for the period of working time spent in the execution of these duties.

80. Workers and employees leaving work on being called up for service in the Red Army shall be paid for two weeks at the average wage.

81. Employees absenting themselves from their ordinary work on their employer's business shall have their posts kept for them, and shall be paid the average wage, with a daily

allowance of not less than 1-24th of their monthly wages ; in addition, they shall be compensated for expenses involved, in a manner and to an extent to be fixed by the People's Commissariat for Labour.

### **Worker's Change of Residence**

82. When an employee at the order of the management of an institution or enterprise is transferred from one locality to another, involving a change of residence (Article 37), he shall be compensated for all expenses connected with removal, and shall be paid a daily allowance for each day spent on removal, with six days extra, at a rate not less than 1-24th of his monthly wages ; in addition, he shall be paid a single allowance equivalent to his monthly wage at his former employment, and, if the members of his family remove with him, a further single allowance equivalent to one-quarter of his monthly wage for each member of the family.

### **Damage by Workers**

83. An employee occasioning damage to appliances, goods, or materials, either through carelessness or through non-observance of the regulations for internal management, may, at the decision of the Disputes Commission, have his wages reduced by a sum equivalent to the damage done, but not more than one-third of his monthly wages.

### **Incapacity**

92. Employees temporarily incapacitated shall retain their posts at their place of employment for a period of not less than two months if the incapacity is due to illness, or for four months if the incapacity is due to child-bearing (Articles 47 and 132).

### **Insolvency of Employer**

93. Should the employer become insolvent, all payments to employees arising out of collective and labour agreements shall receive preference over all other liabilities of the employer.

### Working Day

94. The normal working day both on productive work and on work auxiliary to production must not exceed eight hours.

*Note.*—The People's Commissariat for Labour, in agreement with the All-Russian Council of Trade Unions, may designate certain categories of responsible political, Trade Union, and Soviet workers whose working hours shall not be subject to the provisions of this Article.

95. The working day may not exceed six hours (a) for persons between the ages of sixteen and eighteen, (b) for persons engaged upon mental and clerical work, with the exception of work directly connected with production, and (c) for persons engaged upon underground work, to be specified in a list of trades to be drawn up by the People's Commissariat for Labour.

Persons engaged upon exceptionally heavy labour, or upon work detrimental to health, shall have their working day reduced to an extent to be fixed by the People's Commissariat for Labour.

96. The working day fixed by Articles 94 and 95 shall be reduced by one hour for night work.

For work performed on shifts or in unbroken attendances at night time the hours shall be the same as in day time, but payment for hours worked at night time shall be correspondingly increased, viz., by 1-7th (Article 94) and 1-5th (Article 95) respectively.

Workers on piece rates shall receive for each hour of night work, in addition to their piece-work earnings, 1-7th or 1-5th (in accordance with Articles 94 and 95 respectively) of the hourly wage appropriate to their category of labour.

*Note.*—Night work shall be regarded as work performed between the hours of 10 p.m. and 6 a.m.

### Home Workers, Agricultural Workers, etc.

97. Home workers, agricultural workers, workers employed on repair or breakdown work, and similar workers engaged upon permanent employment and paid monthly, may have their working hours divided into periods of any length, with

the proviso that the number of breaks in their work shall not exceed two per day, and that the number of hours worked per month shall not exceed the normal monthly number of working hours (Article 94).

### Overtime

103. As a general rule, work in excess of the normal day (overtime) is forbidden.

104 Overtime shall be permitted in the following exceptional circumstances :—

- (a) For the performance of work essential to the defence of the Republic, or to avoid social calamities.
- (b) In order to remove accidental and unforeseen hindrances to the correct functioning of the socially necessary labour of water supply, lighting, sanitation, transport, and postal, telegraphic and telephonic communications.
- (c) For the conclusion of a piece of work already begun which has been interrupted by accidental or unforeseen technical hindrances preventing its conclusion in normal working hours, if the cessation of such work would occasion damage to materials or machinery.
- (d) For the performance of repair or breakdown work on machinery or equipment, if the damage done occasions the enforced idleness of a considerable number of workers.

*Note.*—Overtime permitted by the provisions of this paragraph may be performed only by the decision of the local Disputes Commission, and, where such does not exist, by agreement with the appropriate Trade Union and the sanction of the Inspector of Labour. In cases of urgency the Inspector of Labour may be informed subsequent to the performance of overtime.

105. Persons under eighteen years of age are absolutely forbidden to perform overtime.

### Holidays

109. Every employee shall be entitled to a weekly uninterrupted rest period of not less than forty-two hours. The days set aside for the weekly rest shall be established by the



local Departments of Labour in agreement with the Trades Councils, and may be either Sundays or any other day in the week, as best accords with the nationality and religion of the workers of the given locality.

111. The performance of work is forbidden upon the following holidays :—

- (a) January 1: New Year's Day
- (b) January 22: The anniversary of January 9, 1905 (Bloody Sunday).
- (c) March 12: The anniversary of the overthrow of the autocracy.
- (d) March 18: The anniversary of the Paris Commune.
- (e) May 1: International Labour Day.
- (f) November 7: The anniversary of the Proletarian Revolution.

112. The Departments of Labour, in agreement with the Provincial Councils of Trade Unions, shall fix, in addition to the holidays established in Article 111, special holidays, not exceeding ten per year, in accordance with the demands of local conditions, the composition of the population, the national holidays, etc.

*Note.*—The People's Commissariat for Labour, in agreement with the All-Russian Council of Trade Unions, shall draw up a list of enterprises and institutions where, owing to its nature, the work must be continued uninterruptedly on all or any of the rest days and holidays mentioned in the foregoing articles.

### **Annual Holiday**

114. All persons employed on hire, and who have worked for an uninterrupted period of not less than 5½ months, are entitled to a holiday once a year,\* of not less than one fortnight. For persons under eighteen years of age the ordinary annual holiday shall be not less than one month.

*Note.*—The continuous period of employment which according to this Article entitles the employee to ordinary leave shall not be regarded as interrupted by the transfer of the worker concerned, at the orders of the management, from one enterprise or institution to another, or by the voluntary

transfer of the employee without interruption of work from one State institution or enterprise to another.

### **Dangerous Trades**

115. Persons working in specially unhealthy or dangerous employment shall be entitled, in addition to the ordinary leave provided for in Article 114, to supplementary leave of not less than one fortnight.

A list of industries and trades in which supplementary leave shall be awarded shall be drawn up by the People's Commissariat for Labour.

119. Sickness and maternity leave shall not interfere with the ordinary and supplementary leave provided for in Articles 114 and 115.

### **Women and Young Persons**

129. The employment of women and persons under the age of eighteen on exceptionally heavy or unhealthy work, or on work underground, is forbidden.

A list of trades considered too heavy or unhealthy, and also the limits of weights to be carried, separately for women and minors, shall be drawn up by the People's Commissariat for Labour in agreement with the All-Russian Council of Trade Unions.

130. Women and persons under eighteen years of age are forbidden to perform night work.

*Note.*—The People's Commissariat for Labour, in agreement with the All-Russian Council of Trade Unions, may sanction the employment of adult women on night work in certain branches of industry where circumstances of special urgency demand it.

131. The employment of pregnant or breast-feeding women upon night work or overtime is forbidden unconditionally.

### **Women and Pregnancy**

132. Women engaged upon physical labour shall be released from employment for a period of eight weeks before and eight weeks after confinement, and women employed upon

clerical and mental work for a period of six weeks before and six weeks after confinement (Article 181).

*Note.*—The People's Commissariat for Labour shall draw up a list of clerical and mental employments where, on account of special circumstances, the period of maternity leave shall be fixed at eight weeks before and eight weeks after confinement.

133. Women from the first month of their pregnancy shall not be sent to perform duties away from their place of permanent employment without their consent.

### Nursing Mothers

134. Nursing mothers shall be allowed, in addition to the ordinary break periods (Article 100), supplementary breaks for the purpose of nursing their infants. The exact period of these breaks shall be established by the regulations for internal management, but the breaks for nursing purposes shall not take place less often than every three and a half hours, and shall last not less than one half-hour.

Nursing breaks shall be regarded as working time.

### Children

135. The employment of persons under sixteen years of age is forbidden.

*Note.*—In exceptional circumstances the Inspectors of Labour may, in accordance with special instructions to be issued by the People's Commissariat for Labour in agreement with the All-Russian Council of Trade Unions, sanction the employment of persons not less than fourteen years of age.<sup>1</sup>

136. Persons under sixteen years of age already engaged upon employment, or who shall be employed in accordance with Article 135, shall work a four-hour day.

138. No enterprise may be started or restarted or transferred to another building without the sanction of the Labour Inspectorate and the industrial and technical sanitary authorities.

<sup>1</sup> Considerable numbers of children are employed in Russia.

### **Sanitation and Safety**

139. Every enterprise and institution shall take adequate measures to avert or minimize dangerous conditions of labour, to prevent accidents, and to maintain the place of work in a proper sanitary and hygienic condition, in accordance with the general and the special regulations for each branch of industry issued by the People's Commissariat for Labour.

### **Special Conditions**

141. Where work is of a dangerous nature, or must be performed in abnormal temperatures or in damp places, or where it involves dirtying the body, and also where provisions of social hygiene demand, the workers must be provided at the expense of the undertaking with special clothing and protective appliances (goggles, masks, respirators, soap, etc.) in accordance with, and to an extent to be established by lists drawn up by the People's Commissariat for Labour.

### **Poisoning**

142. In trades liable to the danger of industrial poisoning the workers shall be supplied with fatty foods or other neutralizing agencies in accordance with a list, and to an extent, to be established by the People's Commissariat for Labour. These articles shall be supplied at the cost of the undertaking.

*Note.*—Where special clothing, protective appliances, or anti-toxic articles (Articles 141 and 142) are not issued by the undertaking, but are acquired by the workers themselves, the latter must be repaid the actual cost of such articles.

### **Compulsory Medical Examination**

143. The People's Commissariat for Labour and its local departments may in the case of specially dangerous occupations demand a compulsory preliminary medical examination of all hired workers or special groups of workers (women and minors), and subsequent periodical re-examinations.

## Display Rules

145. Enterprises, institutions, and estates shall be obliged to display in a conspicuous place all existing rules and regulations for the protection of workers, and keep all books appropriate to these regulations as shall be demanded by the People's Commissariat for Labour.

## Inspectors

147. Labour Inspectors shall be elected for a fixed period by the Councils of Trade Unions with the confirmation of the People's Commissariat for Labour.

148. To fulfil the objects indicated in Article 146 the Labour Inspection authorities shall perform the following duties :—

- (a) They shall visit at any time of the night or day the enterprises, institutions, and estates in their district, and all places where work is performed, as well as all institutions connected with them provided for the workers (houses, hospitals, crèches, baths, etc.).
- (b) They shall demand from the owner or manager of the undertaking, institution, or estate any explanation required and all essential books, documents, and information.
- (c) They shall give their opinions concerning the starting of enterprises or any part of them.
- (d) They shall give instructions, which shall be binding upon State, public, or private institutions, enterprises, estates, or persons, for the discontinuance of any infringement of the regulations for the protection of labour or any defect in their observance noted by them.
- (e) They shall see that all infringements of the present Code or of decrees, instructions, regulations, and other acts of the Soviet authorities, directed towards the protection of the life and health of the workers, are brought up before the courts of law or dealt with by administrative jurisdiction.

## Trade Unions

151. Trade (Industrial) Unions uniting citizens working for hire in State, public and private enterprises, institutions, and estates shall be entitled to represent hired workers before various bodies as a party to collective agreements, and also to represent them in all matters affecting their labour and general conditions.

152. Trade (Industrial) Unions organized in accordance with principles laid down by their congresses are not obliged to register with the State bodies set up for the registration of societies and unions, but shall register in their own inter-union organizations in a manner to be defined by the All-Russian Congress of Trade Unions.

154. Trade (Industrial) Unions shall have the right of (a) acquiring and possessing property, and (b) concluding all kinds of agreements, transactions, etc., in accordance with existing legislation.

*Note.*—All rights enjoyed by Trade (Industrial) Unions shall also be enjoyed by their inter-union combinations.

155. In accordance with Article 16 of the Constitution of the R.S.F.S.R. all State organs are obliged to give every possible assistance to Trade (Industrial) Unions and their combinations, as e.g., supplying them with furnished accommodation for their labour halls and trade union halls, offering them special privileges in the use of postal, telegraphic, telephonic, railway, and water communications, etc.

## Factory, etc., Committees

156. The basic organ of the Trade Union in an enterprise, institution, or estate shall be the workers' committee (factory or workshop, pit, local, etc.), or the delegate empowered by the union acting in place of a committee.

*Note 1.*—The Method of electing a committee by the workers of an enterprise, institution, or estate shall be defined by the Trade (Industrial) Union concerned.

*Note 2.*—In naval and military departments workers' committees shall be organized and shall function in accordance with special regulations to be issued by the People's Com-

missariat for Labour in agreement with the Revolutionary Military Council and the All-Russian Council of Trade Unions.

158. The functions of the committee (Article 156) shall be :—

- (a) To represent and defend the interests of the workers combined by it before the management of the enterprise, institution, or estate in all questions affecting their labour and general conditions.
- (b) To act as their representative on Government and public bodies.
- (c) To supervise the correct execution by the management of the enterprise, institution, or estate of the legal provisions for the protection of labour, social insurance, the payment of wages, sanitation, and technical safety precautions, and also to co-operate on the State bodies concerned with labour protection.
- (d) To adopt measures for the improvement of the cultural and material conditions of the workers.
- (e) To assist the normal progress of production in State enterprises and to participate, through the appropriate Trade (Industrial) Union, in the regulation and organization of the economic life of the country.

159. The management shall be informed of the election of a committee and when it begins its functions. The number of members of the committee who shall be released from their ordinary employment to perform the work of the committee shall be as follows :—

Number of workers in the enterprise, institution, or estate.	Number of persons to be released full time.
Up to 300 . . . . .	1
From 300-1,000 . . . . .	2
From 1,000-5,000 . . . . .	3
Over 5,000 . . . . .	5

Members of a committee shall be released from employment by the management acting upon a resolution of the Committee.

160. Members of a committee released from their permanent employment to perform the work of the committee shall retain the wages appropriate to their labour qualifications, but not less than their appropriate wages scale. Such released members of the committee shall be guaranteed, on the conclusion of their committee functions, continuance of employment in the enterprise, institution, or estate concerned, on the basis of the hiring agreement in force at the time of election, and of any alterations effected in the agreement during their membership of the committee.

Members of a committee may be discharged, after the general regulations concerning the cessation or annulment of labour agreements (Articles 44 and 47) have been observed, only with the consent of the Trade (Industrial) Union concerned.

161. The management of an enterprise, institution, or estate shall put no hindrance in the way of the activities of the committees and the bodies (general and delegate meetings) electing them.

- (a) General and delegate meetings, as a rule, shall be held out of working time; they may be held in working time when the meeting is to elect delegates to State bodies (Soviets of Workers' and Peasants' Deputies, and social insurance bodies), or to Trade Union Congresses; in other extraordinary circumstances the consent of the management must be obtained. This rule applies to departmental meetings.
- (b) Meetings of the committee shall also, as a general rule, be held out of working hours, and only in exceptional circumstances and with the consent of the management may all the workers of the committee be released from their employment in order to hold a meeting.
- (c) The management must inform the committee within three days of the employment of new workers, and must give it three days' notice of proposed discharges.

162. The cost of maintaining the workers' committee shall be supplied by the management of the enterprise, institution, or estate, on an estimate to be fixed by the Trade Union concerned, but not exceeding 2 per cent. of the total wages



of the employees in the given enterprise, institution, or estate.

166. Members of Trade Union Executive Committees and their mandated representatives, and members of the workers' committees (Articles 151 and 156) shall have free access to any workshop, gang, department, laboratory, etc., in the enterprise, institution, or estate.

### Disputes

168. Infringements of the Labour Code and disputes connected with the hiring of labour shall be settled either by the legally enforceable judgment of the People's Courts in special session, or by conciliation or arbitration by the Assessment and Disputes Commissions, Conciliation Boards, and Arbitration Courts composed of equal representatives of the disputing parties. All the above institutions shall function on the basis of a special statute to be drawn up for each of them.

169. All infringements of the Code of Labour Laws or other labour legislation, or of collective agreements, in so far as they are liable to criminal prosecution, shall be dealt with by special sessions of the People's Courts. These sessions shall be composed of a chairman—the People's Judge—and two assessors, one representing the People's Commissariat for Labour and the other representing the Trade Union organizations.

All individual and group disputes between employers and employees, if not referred to a Conciliation Board, may be dealt with at sessions of the People's Courts as defined above.

170. The following causes may be dealt with by Conciliation Boards or Arbitration Courts: (a) all disputes arising out of the conclusion, execution, interpretation, or amendment of collective agreements or wages agreements; (b) all disputes arising out of labour agreements, if both parties give their consent to such procedure, with the exception of disputes provided for in the first part of Article 169.

171. Causes shall be submitted to the Conciliation Boards only with the consent of both parties. Causes connected with the execution of collective agreements shall only come before the Conciliation Boards after they have been examined by an Assessment and Disputes Commission and failed to receive

settlement. The decisions of Conciliation Boards are binding only if they receive the consent of the parties.

Causes shall be referred to the Arbitration Courts only by mutual consent to the parties, whether they have been examined by a Conciliation Board or not. In the case of disputes in State institutions or enterprises, the organs of the People's Commissariat for Labour, at the request of the Trade Unions, shall set up Arbitration Courts, the recognition of which by the State institutions or enterprises is compulsory. In the case of very grave disputes which menace the safety of the State, the Arbitration Court may be appointed by decree of the supreme State authorities (the All-Russian Central Executive Committee, the Council of People's Commissaries, and the Council of Labour and Defence).

172. The Assessment and Disputes Commissions shall deal only with disputes arising out of the application of collective and labour agreements, and other questions specially defined in the present Code. Decisions in the Assessment and Disputes Commissions shall be arrived at by agreement of the parties, and where this cannot be obtained the matter shall be referred to a higher instance.

*Note.*—Questions connected with the very existence of a collective agreement, or arising out of demands for the abrogation of certain parts of an agreement, or for the inclusion of new or supplementary clauses to an agreement, shall not lie within the competence of the Assessment and Disputes Commissions.

173. No appeal shall be allowed against the decisions of Assessment and Disputes Commissions and agreements of the Conciliation Boards, which shall have the force of a contract, or of decisions of the Arbitration Courts.

### **Social Insurance**

175. Social insurance shall cover all persons working for hire, whether engaged in State, public, co-operative, concessionary, leased, mixed, or private enterprises, institutions, or estates, or with private persons, and whatever the nature and duration of their work and the methods of payment.

176. Social insurance shall include : (a) medical assistance ;

(b) allowances during temporary incapacitation (e.g., from sickness, accident, quarantine, pregnancy, childbirth, or the nursing of sick members of the family); (c) supplementary allowances (e.g., for infant feeding, sick nursing, or burial); (d) unemployment allowances; (e) disablement allowances; (f) allowances to working class families on the death or untraceable disappearance of the breadwinner.

177. For the purpose of social insurance, insurance contributions shall be paid in percentage proportion to wages. The scale of contributions, depending upon the degree of unhealthiness or dangerousness of the enterprise, shall be established by special decisions of the Council of People's Commissaries.

*Note.*—Insurance funds shall be strictly reserved for the insurance of the workers, and may not be diverted to any other purpose.

178. Insurance contributions are payable by the enterprises, institutions, estates, or persons employing hired labour and are not recoverable from the insured person or to be deducted from wages.

181. Allowances for pregnancy and childbirth shall be payable for the whole period of release from employment, as provided for in Article 132 and note to Article 132 of the present Code.

### Unemployment Benefit

185. The unemployment allowance shall be fixed by the appropriate organs at not less than one-sixth of the average wage of the locality and rising with the labour category of the unemployed person and his experience in his trade as a hired worker at the time of loss of employment.

*Note.*—The unemployment allowance to minors shall vary with their labour category independently of their trade experience.

186. The period for which unemployment allowance shall be payable, according to the labour category and the experience in his trade of the unemployed person, shall be fixed by the appropriate organs; but the minimum period shall be not less than six months.

187. The right to insurance allowances for permanent disablement shall be extended to all persons who have worked for hire and who have lost their labour power by reason of accident, disease, or senility.

The Council of People's Commissaries shall fix the period of employment which shall confer the right to old age allowances.

191. The non-payment by enterprises, institutions, estates, and individuals of the insurance contributions due from them (Article 178) shall in no case deprive the persons employed by them for hire of the right to receive the allowances provided for in Articles 176 *et seq.* of the present Code.

### THE CRIMINAL CODE

The Russian Criminal Code came into operation on June 1, 1922, and superseded all other decrees or regulations applying to the treatment of Criminal offences from that date.

The Code applies to the whole Soviet Union and may only be amended in accordance with local usage by sanction of the Central Executive Committee of the Union.

The decree bringing the code into operation is given below :—  
Decree of the All-Russian Central Executive with reference to the bringing into operation of the Criminal Code of the R.S.F.S.R.

For the purpose of safeguarding the Government of the Workers and Peasants and the revolutionary legal order from those attacking it and from socially dangerous elements and for the purpose of establishing a solid foundation for a self-conscious revolutionary legal position the All-Russian Central Executive Committee decrees :—

1. The Criminal Code shall come into force within the territory of the R.S.F.S.R. on June 1, 1922.

2. From the moment of the coming into force of the Criminal Code all other measures which served as a basis for the punishment of crime cease to be operative.

3. The Criminal Code applies to all criminal actions not legally dealt with before it came into operation.

4. Any amendment or supplement of the Code to meet local customs only has force if decreed by local Central

Executive Committees and sanctioned by the All-Russian Central Executive Committee.

5. The duty of bringing the Criminal Code into operation in due order on the territory of the United Soviet Republics is confided to the Presidium of the Central Executive Committee.

The Chairman of the All-Russian Central Executive Committee,

M. KALININ.

The People's Commissar of Justice,

D. KURSKY.

The Secretary of the All-Russian Central Executive Committee,

A. ENUKIDZE.

Clauses 1 to 4 of the Code govern its applicability to citizens of the Soviet Union and citizens of foreign States.

1. The Criminal Code shall apply in case of all crimes committed on the territory of the R.S.F.S.R. both by its citizens or by foreigners unless these latter are protected by the right of extra-territoriality.

2. This Code also shall apply to all citizens of the R.S.F.S.R. in the cases committed outside the Republic.

3. This Code applies to all foreigners living in the R.S.F.S.R. who have committed crimes outside the Republic, against the basic Government structure and military power of the R.S.F.S.R.

4. Contracting out of liabilities under Clauses 2 and 3 of the Criminal Code can only take place in virtue of special treaties concluded by the R.S.F.S.R. with other Governments.

### **General Basis of Rules for Punishment**

5. The purpose of the Criminal Code of the R.S.F.S.R. is the legal protection of the State of the Workers from crimes and from socially dangerous elements and the realization of this purpose by the application to those breaking the revolutionary legal order of punishment or other measures of social protection.

6. Every socially dangerous action or act of neglect which

threatens the basis of the Soviet structure and its legal order, as laid down by the authority of the workers and peasants, during the period of transition to Communism, is considered as a crime.

Clause 11 lays down that the only persons liable to punishment are those who acted either (1) intentionally or (2) without due consideration.

Clause 17 lays down the modification or abolition of ordinary punishment to be inflicted on persons mentally abnormal at the time of the crime or of the trial or of the carrying out of the sentence of the court.

Clause 18 lays down that punishment of children up to fourteen years of age must be, and punishment of young persons of fourteen to sixteen may be, only by medico-pedagogical treatment. In any case the maximum sentence possible for young persons between fourteen and sixteen is only half that for adults, and for young persons of sixteen to eighteen the maximum punishment allowed is only two-thirds of that of the adult.

Clause 19 lays down that criminal actions committed *bona fide* in self-defence are not punishable.

Clause 21 lays down that if a period varying from three to five years, according to the nature of the crime (in the case of crimes for which the maximum sentence is not more than one year's imprisonment), has elapsed since the commission of the crime and no inquiry has been held and no further crime committed, then punishment cannot be inflicted. But if the criminal has evaded trial, then the period (Clause 22) is doubled.

Clause 24 lays down that "When fixing the degree of crime it is necessary to pay attention to the degree and character of the danger both from the criminal and from the crime committed" and (Clause 25) "Therefore when fixing the degree of crime it is necessary to determine (1) whether the crime has been committed with the intention of re-establishing the power of the bourgeoisie or purely in the personal interest of the criminal; (2) has the crime been directed against the Government or against a private person; (3) has the crime been committed in a state of hunger and want; (4) has the

crime been committed from low, covetous motives or not ; (5) has the crime been committed with full knowledge of the injury inflicted or in ignorance ; (6) has the crime been committed by a professional criminal or old offender or for the first time ; (7) has the crime been committed by a group or gang or by a single individual ; (8) has the crime been committed by means of violence or not ; (9) has the crime been premeditated or committed in anger or from levity of mind or under threats or compulsion of another ; (10) has the crime been committed by an adult or non-adult from sixteen to eighteen or a non-adult from fourteen to sixteen.

26. As the punishment is a measure of protection, it **must** have no characteristic of torture and must not cause the criminal any needless suffering.

27. In fixing the measure of punishment the Criminal Code distinguishes two categories of crimes : (a) those directed against the basis of the new legal order fixed by the power of the workers and peasants and (b) all other crimes.

The crimes in Group (a) are considered the most dangerous, and the Court may not inflict punishment below the lower limit laid down in the Code ; for the crimes in Group (b) an upper limit of punishment is fixed. The lower limits of punishments may, however, only be further lowered (Clause 28) in exceptional circumstances, and the Court is required to state its reasons for so doing. Imprisonment before trial is calculated when computing the length of sentence of imprisonment.

### Nature of Punishment and other Measures of Social Protection

32. Punishments of the Criminal Code may be death or (a) sentence to exile from the territory of the R.S.F.S.R., temporarily or permanently ; (b) forfeiture of freedom with or without strict isolation ; (c) compulsory work without being kept under guard ; (d) conditional conviction ; (e) confiscation of property ; (f) fine ; (g) forfeiture of civil rights ; (h) discharge from service ; (i) social reprimand ; (j) an obligation to make good the injury done.

The death sentence (by shooting) can be inflicted by Gubernia.

courts and the Higher Courts and by all courts in cases of certain serious crimes, except that as no person under eighteen years may be sentenced to death, no pregnant woman may be sentenced to death and in cases where five or more years have elapsed since the crime the death sentence is not allowed.

The period of imprisonment (Clause 34) varies from one month up to ten years, and may be solitary confinement or work in a labouring agricultural or other colony or in an institution. The prisoner must so far as possible be put to work of which he has special knowledge.

Compulsory labour (Clause 35) may be for any time from seven days to one year, and is divided into work according to special knowledge or undifferentiated physical labour.

First offenders may be put on probation (Clauses 36 and 37) for a period of not less than three and not more than ten years.

When punishment is by confiscation of property (Clause 38), articles of household necessity and articles necessary for the livelihood of the prisoners are exempt; the instruments of peasant-crafts (Koustar) and agriculture are especially exempted as well as food-stuffs for the prisoner and his family for a period of not less than six months.

Fines are fixed in gold roubles.

Deprivation of rights (Clause 40) consists of deprivation for not more than five years of (a) active and passive electoral rights; (b) active and passive electoral rights in trade unions and other organizations; (c) the right to occupy responsible positions or to be a juror, defender in court, warrantor or guardian; (d) property rights as defined by Clause 5 of Civil Code.

Public reprimand is a form of punishment delivered by the declaration of sentence at a public meeting or a village meeting, together with a publication in the Press at the expense of the person reprimanded.

Measures of social protection other than punishment include (Clause 46) (1) treatment in an institution for the mentally or morally defective; (2) compulsory medical treatment; (3) prohibition of any special activity or work for a period of not exceeding five years; (4) exclusion from a definite



area for a period of not more than three years ; (5) placing a non-adult in charge of relatives.

### Regulations Governing Sentences of Imprisonment and Compulsory Labour

Supervision of sentences is entrusted (Clause 51) to the Prisons Administration Department of the Commissariat for Internal Affairs, and is carried out in the Gubernias by (1) the Distributing Committee, (2) Supervising Committees, (3) the Bureau for Compulsory Labour. Sentences, whether of imprisonment or compulsory labour, may (Clause 52) be conditionally remitted if the individual shows improved behaviour ; he may be released altogether or transferred to "free" compulsory work, i.e., not kept under guard.

### Appeals

For reduction of sentence may be lodged by the convicted person, his relatives, or any relevant organization, but not before he has served half of it (Clause 53).

### Special Regulations for Offences against the Government

1. Aiding or abetting the Counter-Revolution.
2. Offences against the Public Administration.

1 *Definition.* Any action (Clause 57) calculated to destroy, injure, or weaken the existence of the U.S.S.R., or to assist that part of the "International Bourgeoisie" which does not recognize *de jure*, is described as Counter-Revolutionary. Any act or intention which may even indirectly threaten the "basic political and economic conquests of the Proletarian Revolution" is included.

Clauses 58-67 inclusive decree the death penalty with total confiscation of property, for the following offences, whether actual or intended : armed insurrection, or the invasion of the territory of the R.S.F.S.R., or any attempt to usurp local or central authority ; breach of treaties concluded by the R.S.F.S.R. ; incitement to foreign Powers or their representatives to make war on the R.S.F.S.R., or assistance to such Powers when war has been declared ; incitement to civil

commotion, to nonpayment of taxes or to nonperformance of duties; any act which may cause obvious injury to the Dictatorship of the Proletariat, even though such injury is not the prime motive of such act; any action tending to prevent or check any normal function of the Government and any attempt to use Government institutions to the detriment of Government activities in industry, trade and transport; sabotage of means of transport, aqueducts, public works of every kind; espionage of all kinds, including the giving out or transmitting of confidential information; activities directed against the working class by ex-Tsarist officials, terroristic activities against the representatives of the R.S.F.S.R.

Where there are mitigating circumstances a reduced sentence of not less than five years may be inflicted, and in the case of persons participating in any of these crimes, without full realization of their ultimate objective, a reduced sentence of not less than three years in both cases, with confiscation of all property. For abetting the above crimes by concealment, etc., not less than one year's imprisonment (Clause 68).

Propaganda against the Soviet Government, and against the fulfilment of the obligations of citizenship, is punishable by not less than three years' solitary confinement; in time of war or political crisis the same crimes incur the death penalty (Clause 69).

Persons convicted of agitation in favour of the International Bourgeoisie may be exiled, and incur the death penalty if they return to the territory of R.S.F.S.R. without authorization (Clause 71).

The preparation, harbouring or distribution of counter-revolutionary literature incurs a penalty of not less than one year's imprisonment, and the invention or propagation of any rumour liable to cause panic, not less than six months.

## 2. *Offences against the Public Administration.*

(a) *Definition* (Clause 74). Any act tending to destruct the normal operation of the organs of governance, when accompanied by opposition to the laws of the Soviet Power, and any other act tending to weaken the strength and authority of the R.S.F.S.R.

(b) *Penalties* (Clause 75). For armed participation in riots, pogroms, arson or other destruction of property or means of communication, rescue of arrested persons, rape, resistance to the authorities; for the instigators, and all others personally convicted of violence, the death penalty, or if mitigating circumstances, not less than three years' imprisonment with confiscation of all property. For all other armed participants, not less than two years with total or partial confiscation of property. For unarmed participants, not less than one year's imprisonment; for persons not directly participant, but abetting, not less than six months.

(Clause 76). For organized attack on individuals or on railway trains, whether or not accompanied by murder or robbery, and for aiding and abetting such acts, the same penalties as above.

(Clause 77). For participating in disorders unaccompanied by grave crime, not less than two years' imprisonment for the leaders, six months for others.

(Clause 78.) For mass-refusal to pay taxes or fulfil the obligations of citizenship, for the leaders not less than one year, with confiscation of all or part of their property; for others, six months or a fine twice the amount of the default.

(Clause 79.) For the refusal by individuals to pay taxes or to fulfil their obligations in the first instance, an appropriate fine and for repeated or persistent non-compliance, six months' imprisonment, or confiscation of all or part of their property. The same penalty applies to concealment in whole or in part of inheritances.

(Clause 80.) For organized concealment or falsification of data upon which taxation or the calculation of other obligations is based—as the quantity of produce, the area of land sown, or of meadows and kitchen-gardens and forests, the number of cattle—and for organized production of inferior materials. For the prime movers, not less than one year's imprisonment, with or without confiscation of property; for others, six months or a fine of twice the amount defaulted.

(Clause 81.) Destroying necessary records of persons liable to conscription, three months, or a fine of 200 golden roubles. Avoiding conscription, a fine of not less than 300 gold roubles,

with or without six months, and thereafter to serve in the army for the usual time. Avoiding conscription by self-mutilation or bribery or change of name or forged documents or pretence of religious conviction, not less than one year's imprisonment, with part confiscation of property.

(Clause 83.) Incitement to the above offences and provocation of national enmity, not less than one year, but if committed in time of war, then the maximum penalty.

(Clause 85.) *Forging coins, bank-notes, stamps, etc.*, including railway and other tickets, the death penalty, or not less than three years in mitigating circumstances.

(Clause 86.) Resistance to the representatives of the authorities with violence, the death penalty, or not less than two years in mitigating circumstances and not less than six months when there is no violence.

(Clause 87.) Offensive disrespect towards the R.S.F.S.R., or its representatives, abuse of official emblems, not less than six months' imprisonment.

(Clause 97.) Illegal import or export of goods or currency, three months' hard labour, with confiscation of all or part of the goods, or fine up to 1,000 gold roubles.

(Clause 98.) 'Leaving or entering the R.S.F.S.R. without a valid passport, up to six months' imprisonment, and up to 500 gold roubles fine. For assisting such breach of laws by traders or Government officials, not less than one year's imprisonment, with total or partial confiscation of property, and in serious cases the maximum penalty may be inflicted.

(Clause 102.) Concealing objects of artistic or historic value, which ought to be registered or in State museums, up to one year's hard labour and confiscation of the objects concealed.

(Clause 104.) Illegal votings, not less than three months' hard labour.

### Offences Committed by Officials

Clauses 105-117 inclusive lay down penalties for all cases of abuse of power or breach of loyalty by functionaries, but exempting irregularities necessitated by circumstances. Abuse of power, accompanied by or leading to violence or leading

to severe disorganization of administrative services, the promulgation of illegal sentences by judges, serious cases of embezzlement of public funds, serious bribery of public officials, publishing important confidential information, are punishable by not less than three years' imprisonment, with or without confiscation of property, and in especially serious cases the maximum penalty may be inflicted. Less serious abuses of power or neglect of duties, or acceptance or proffering of bribes, or falsification of public records, are punishable by not less than one year's imprisonment; but in mitigating circumstances these may be simply dismissed from the public service, with or without fine, or repayment of monies embezzled, or reparation for damage caused.

### **Penalties for Infringing the Regulations Separating the Church from the State**

(Clauses 110-124.) The death penalty may be inflicted for exploiting the superstitions of the masses for the overthrow of the R.S.F.S.R.

Imprisonment for periods up to and over one year, with or without confiscation of property, may be inflicted for attempts to exploit the superstitions of the masses, or for doctrinal teaching given to non-adults, whether in Government or private institutions, or for compulsion employed in collections in aid of churches, or religious organizations, or for usurpation of authority by religious cults in State institutions, or for placing in State institutions any religious image, or for obstructing the performance of religious cults, when a breach of the peace is not involved.

### **"Economic" Offences (Clauses 126-138)**

For desertion from labour, i.e., non-registration with the appropriate institution, or non-attendance at the place of employment, or wilful abandonment of work, not less than seven days' hard labour. When the national security is imperilled by such desertion, not less than six months' hard labour, and confiscation in whole or in part of property. For abuse of power, or negligence by managers and directors of State institutions, not less than one year's imprisonment.

For non-fulfilment of contracts with State institutions, if a criminal motive can be proved, not less than two years' imprisonment, and in especially serious cases, the death penalty.

For illegal distribution of produce, not less than one year's imprisonment or three years in time of war, or the death penalty in very serious cases. For breach of any of the regulations governing the hire and employment of labour, social insurance, not less than 100 gold roubles fine, and up to twelve months' imprisonment; if a group of workmen are affected, not less than 1,000 gold roubles fine, and less than twelve months' imprisonment. For charging State employees or workers a higher rent than that fixed by law, and for illegal eviction, not less than six months' hard labour. For increasing or decreasing the price of goods with criminal intent, not less than six months and partial confiscation of property. For breach of regulations governing the currency and Foreign Exchanges, *Government Officials* may receive up to the maximum penalty; others, a fine of not less than 3,000 gold roubles; or if they habitually contravene the regulations, not less than one year's imprisonment, with confiscation of the whole or part of the property.

#### **Purchase, Sale, Manufacture or Possession of Materials and Products Subject to Special Legal Regulation** (Clauses 139-141)

For illegal purchase or sale of such objects by a professional trader, not less than six months' imprisonment, with confiscation of property and prohibition of right to trade. For manufacture for sale of any alcoholic beverage without licence, or having an alcoholic percentage in excess of that allowed, not less than one year's imprisonment, with confiscation of property. For old offenders, not less than three years.

#### **Offences against the Person (Clauses 142-178)**

For wilful murder, not less than eight years' imprisonment; if there has been a previous conviction for the same offence, or the motive is base, or the method employed is especially

unpleasant, or dangerous to numerous persons, or the murderer is guardian to the victim, if these aggravating circumstances are absent, not less than three years' imprisonment. For wilful murder provoked by violence or insulting behaviour, up to three years. For homicide, when excessive violence is employed in self-defence from assault, up to one year. For abortion, with the consent of the mother but not performed by a medical man, or by a medical man but in unsuitable conditions, up to one year's imprisonment. For abortion without the consent of the mother, up to five years' imprisonment.

For homicide due to culpable negligence, up to one year's imprisonment, or up to three years in cases of wilful negligence. For aiding in or inciting to the suicide of a non-adult or other non-responsible person, up to three years. For grievous bodily harm, not less than three years, and not less than five years if the injuries were caused by deliberate torture, or if death supervened. For less serious injury, up to three years. For injury done under the influence of powerful emotional disturbance, or upon grave provocation, up to two years. For excessive violence in self-defence, up to one year. For infecting another with a venereal disease, up to three years. For wilfully causing a man to work in such conditions that he loses his ability to work either wholly or in part, not less than one year's imprisonment. For illegal imprisonment, up to one year's imprisonment. For illegal imprisonment in circumstances dangerous to life or health or accompanied by torture, up to three years. For placing a person in a lunatic asylum, knowing him to be sane, not less than five years. For stealing a child, up to four years' imprisonment. For abandoning another in danger, when there is an obligation to care for him, imprisonment up to two years. For failing to render necessary assistance to another, for failure to inform an appropriate institution of another's necessity or danger, up to six months. Failure to assist a sick person on the part of one legally required to give such assistance, up to one year, and up to 500 gold roubles fine; on the part of a medical practitioner, up to two years.

### Sexual Relations

For sexual relations with immature persons, not less than three years; where these relations involve perversions, not less than five years. For rape (Clause 169), whether by physical or mental violence, not less than three years, and not less than five years if the victim commits suicide. For inducing a woman to become a prostitute, not less than three years, and not less than five years if the offender was the employer or guardian or if the victim was immature.

For insult, including slander to another by act, word, or letter, up to six months and up to 500 gold roubles fine, and up to one year if the insult is published in printed form. For perjury or laying false information, one year's imprisonment.

### Offences against Property

For simple theft, up to six months' hard labour. For larceny (a) with the aid of housebreaking implements, (b) by professional thieves, (c) when the thief knew the article stolen to be essential to the existence of the owner, (d) with conspiracy, up to two years' imprisonment. For larceny during a fire or flood, or the wreck of a train, or other social calamity, not less than two years. For stealing horses or horned cattle from the rural population, not less than two years. For the same offences committed against State institutions heavier penalties apply, and in exceptionally grave cases of large scale or systematic theft, the death penalty. For receiving stolen property, up to one year, and not less than one year if such receiving is habitual. For pickpocketing, up to one year. For robbery from the person, with violence, but such as to endanger life or health, up to three years, and when such robbery is by more than one person, not less than three years. For robbery, with grievous bodily harm, the death penalty may be inflicted. For withholding of property, up to six months. For fraud, not less than six months, and not less than one year if directed against State institutions. For forgery, other than of currency, etc., up to two years. For adulteration of goods offered for sale, or practices tending to deceive the purchaser as to their quality, up to one year,



with restitution, and prohibition of the right of trading; and for adulteration of food-stuffs calculated or likely to injure health, not less than one year. For the sale of bad grain, not less than three years if the offender is a professional grain merchant. For money-lending at illegal interest, up to one year's hard labour.

### **Military Offences**

For insubordination in the course of duties, accompanied by violence, not less than one year's imprisonment, or not less than six months if there was no violence. The same penalties apply to insulting behaviour by a superior to a subordinate. For desertion, under six days, and if the deserter return voluntarily, appropriate penalty prescribed by disciplinary regulations. Otherwise, for the first offence up to twelve months' imprisonment and a fine of not less than 300 roubles, but in mitigating circumstances the fine may be reduced to 200 roubles and imprisonment replaced by six months in a disciplinary corps. For desertion a second time, up to three years; and for the third time not less than three years, with confiscation of whole property. For desertion in time of war, or in time of peace by a superior officer, the death penalty, but this may be reduced in mitigating circumstances. For dereliction of duty by sentries, up to two years. For marauding, threatening the civil population, robbing the dead or wounded, up to the death penalty.

### **Offences against Public Health, Social Security, and Public Order**

For illegal manufacture or sale of poisons, up to 300 roubles fine or hard labour. For neglect to inform the appropriate authorities of infectious diseases of men and cattle, up to 300 roubles fine, or hard labour. The same penalties apply to breach of traffic regulations on land and water and in the air and to non-compliance with any order legally given by a police or other official in the interests of public security, to breach of the regulations as to printed publications and photographic and cinematographic productions, to illegal possession of arms, to non-compliance on the part of Co-

operative or other similar officials with administrative requirements as to data of production, staff, etc., to wilful misrepresentation of facts in the interests of the individual or of associations, and to obstruction caused by religious celebrations.

From a consideration of the Codes and the general legal situation of Russia it is evident that she now possesses a defined body of laws fitted to the needs of the country and permitting and protecting private trade and private enterprise. Along with other professions the exercise of the legal profession is allowed and its functions will certainly grow and increase. One of the difficulties of Russian legislation is that it is worded rather obscurely and will probably require further codification at a later date.

But there is nothing in the legal system of Russia to prevent full and friendly relations with that country and so far as foreigners are concerned their rights will no doubt be especially safeguarded by their own Governments through the treaties entered into with the Soviet Union.

## CHAPTER V

### Foreign Policy of the U.S.S.R.

THE aim of the Bolshevik revolution of 1917 was conceived by its authors, not only as the substitution of one Russian Government by another, but the beginning of a process of emancipation of the workers and peasants of the world from the domination of the capitalist system. The revolution not only affirmed a complete and sweeping statement of the Communist aim for Russia as a country but for Russia as the vanguard of a revolutionary movement which was in essence international. The objects of its Foreign Policy were therefore determined, not only by the interests of the nations and races inhabiting the geographical entity known as Russia in Europe and Russia in Asia, but by the intention of the Bolsheviks to break with the old capitalistic order and give a lead to workers and peasants all over the world.

One of the first actions of the Bolshevik Government after militarily securing its own power was to publish (on November 10, 1917) the Diplomatic documents and Secret treaties arranged by the Tsar's Government. The revelations were received with comparative calm by a world whose chief interest was concentrated on the World War and which had never had, for the most part, anything but a contempt for the Tsarist Government, which was regarded as a picturesque barbarism.

The repudiation of Foreign Debts by the Bolsheviks in January, 1918, would have shaken a world at peace to its foundations, but did not have the same effect on a world at war. But when the Russian Bolsheviks showed that they did not accept the Allied Powers' views on the war by concluding the peace of Brest-Litovsk in March, 1918 (the Ukrainian

Parliament had done this in February), it became clear that the new power which had arisen had very precise and definite ideas which it intended to put into execution.

The third measure, which had a very great effect on foreign opinion, was the nationalization of Russian industries in June, 1918—without compensation!

The reaction against the Russian revolution began before the Bolsheviks took power into their hands, but with every step the Soviet Government took the reaction became more intense, until finally Russia was cut off from diplomatic and economic contact with the rest of the world, invaded by armed forces, ravaged by subsidized risings within her own territory and economically blockaded.

During this period one aspect of Russia's Foreign Policy was reduced to very simple terms—the fight for existence; and during the years 1918, 1919, and 1920, when Generals Kolchak, Denikin, Yudenitch, Wrangel and others were fighting in Russia with English, French, American and other assistance, the attack on Russia very naturally begat a marked Russian national patriotism. This drew Russian men and women from social groups normally opposed to the Bolsheviks to the support of the Government of the day, the Bolshevik Government, in defence of their country.

But even while this attack on Russia was going on, another aspect of Foreign Policy was being explored and tentative feelers put out toward the restoration of trade relations with other countries.

Economic arrangements with Germany were being discussed with those interested as early as 1918, while the war party in Germany were still discussing the military occupation of Russia, and in the spring of 1918 a detailed plan of possible concessions was drawn up by the Russian Government as a means of attracting foreign capital. Since that time the fight for national existence has merged into the struggle for recognition on equal terms, and the economic policy has developed into a tremendous programme of development of the resources of the Union and of State trading with the world at large.

Just as a great shock was given to the capitalist world by the repudiation of debts and the nationalization decrees of

1918, so a reassurance was given to the capitalist world by the New Economic Policy of 1921. And since 1921 the diplomatic history of the Soviet Union has been largely a history—according to M. Chicherin, the Commissioner for Foreign Affairs—of the evolution of economic relations with other countries.

It may be characterized thus:—

“On the part of the capitalist Powers it started with a misunderstanding. They thought that the establishment of economic relations with us would mean peaceful penetration of the kind which is being practised, for instance, in Morocco—that is to say, the gradual establishment of the supremacy of foreign capital in the Soviet Republics. This was the meaning of Lloyd George's formula of taming the Bolsheviks by means of trade. This was the attempt made at Genoa.” (*Russian Information and Review*, Nov. 24, 1923. Interview with G. V. Chicherin.)

The attitude of the Soviet representatives at the Genoa Conference and then later on at the Hague was a logically conceived resistance to this penetration as a necessity of Russia's position on the one hand for the maintenance of political independence and on the other for the safeguarding of the resources of Russia for the use of the citizens of the Soviet Union.

The new Economic Policy of Bolshevism in 1921 has been characterized inside Russia and out as a retreat of Bolshevism. Lenin put it in an article in the Moscow Press in November, 1921, on the anniversary of the revolution. “We have withdrawn to State Capitalism. But we withdrew within measure. We are now withdrawing as far as State regulation of commerce. But we shall withdraw within measure.”

Nevertheless this retreat, followed as it inevitably was by a stabilization of social and legal relationship inside the Union, has had the effect of completely altering the attitude of other States in the world to Russia. And it has correspondingly involved a change in Russia's own foreign policy.

The Russian Government is of course composed of Communists, but, as a government, it does not propagand Communism, for its energies are completely absorbed by the practical work of internal reconstruction which is being undertaken and by the network of foreign diplomatic and trading relations which are being recreated.

Another aspect of the Bolshevik foreign policy was expressed in the phrase "The right of every nation to self-determination." The statement has been used as a weapon of controversy in Western Europe, and it is partly on the foundation of this phrase that the new boundaries of Western Europe have been drawn. But inside the boundary of the old Russian Empire and especially in the East and on the borders of that area the self-determination of nations has exerted an even greater influence. In the case of Finland, Esthonia, Latvia, Lithuania and Poland the full and free recognition by the Soviet Government of the validity of the principle of self-determination has made the regularization of their new national status *vis-à-vis* Russia very much easier than it would otherwise have been. The friendly relations of Russia and Turkey, Russia and Afghanistan, Russia and Mongolia also depend to a large extent on the recognition of this national right.

There is undoubtedly a discord between the recognition by the Russian Government of the right to self-determination on the one hand and the Communist doctrine of the class-war and extension of the world revolution by the battle of the proletariat against the bourgeois classes. But just as a condition of practical compromise has been reached in the internal affairs of the Soviet Union by which it is possible for capital to be employed and for capitalists to make profits, so in international affairs a compromise is being reached by which the existing Soviet Union is treated and considered as a State of a kind capable of entering into normal relations with other States.

That there are contradictions in this conception of the position of the Soviet Union between its international type of organization and its practical and geographical limitations does not put it outside the category of the European States, it rather tends to stamp it as a very human institution which lives and thrives with apparently irreconcilable contradictions battling within it. There are a good many apparent contradictions in the unwritten English constitution, not to speak of those in France and the United States. But there are even greater contradictions between fundamental Muslim

notions of the spread of that religion and the actual political position of the Muslim peoples.

Without carrying these reflections to their conclusion, it is certain that no mere appearance of inconsistency or logical contradiction will prevent a State flourishing if it guards its frontier, cares for its people and makes a sufficient use of its own natural resources. The Foreign Policy of the Soviet Union at the present time is conditioned by the facts of the international political economic situation—that is to say, that it is directed towards the renewing of peaceful trading and diplomatic relations with all peoples and toward a policy of mutual disarmament.

The following extracts from speeches, writings or interviews with leading members of the Government of the Soviet Union and with leading Russian Communists show clearly the existing state of things.

Speaking of the results of British recognition of the Soviet Government, M. Chicherin told an interviewer :—

“Unrestricted recognition is an extremely prudent act, while at the same time it shows the determination of the working masses. . . . Mr. Macdonald's Government knows that we shall maintain our principles and our world policy which, both in East and in West, is foreign to any spirit of aggression. If the British Government is equally inclined to peace, the disputed questions will be easily settled. In the economic sphere Mr. Macdonald's Government knows what importance we attribute to credits, the granting of which will facilitate the solution of outstanding problems between us.”

Mr. L. B. Kamenev, speaking at a Communist Party Conference in Russia on May 8, 1924, said :—

“Our connection with the European markets and with European countries is highly desirable. But it is desirable on purely business grounds. . . . We demand, however, two preliminary conditions. In the first place, they must recognize that the revolution brought about by our peasants and workers can never be nullified. That our November conquest and all that we have gained in the struggle with the counter-revolutionaries can never be struck out with the blue pencil of a diplomat.”

M. Leon Trotsky, speaking to the Moscow Soviet on April 30, 1924, said :—

"Our mineral wealth, our oil deposits, our huge forests, all this makes an irresistible appeal to British Technology, to her industrial wealth. By uniting the two, the peoples of Russia and Britain would go forward rapidly. The union of working-class Britain and the working-class and peasant Soviet Union would be a mighty force towards the progress of the whole world."

M. Zinoviev, the prominent Communist (but not a member of the Soviet Government), said at the Railway Men's Conference in Russia in April, 1924, speaking of Great Britain :—

"We desire an agreement, but we shall not go into bondage; we wish to contract a loan in Britain, to agree for the sake of it to important concessions, to pay interest, etc., but into bondage we shall not go. . . . We stand for the attraction of foreign capital."

M. Rakovsky, speaking at the final session of the Anglo-Soviet Conference in London in July, 1924, said :—

"The Soviet Government is not only ready, but considers it its duty to use all its influence in order to restore equilibrium in Europe, not on the foundation of military alliances, which have always led to war, but on the foundation of respect for the rights of every people to an independent existence";

and on this basis M. Rakovsky outlined a suggested policy for the settlement of the Balkan question by application of the principle of federation in the Serb-Croat Slovene kingdom and the readjustment of difficulties in connection with Hungary, Czecho-Slovakia, Greece, Roumania and Bulgaria. M. Rakovsky added :—

"The Soviet Delegation will be glad to hear from the British Delegation of the readiness of Great Britain to summon, in the most immediate future, an international conference on disarmament. The Soviet Delegation considers that the co-ordination of the efforts of all governments for the settlement by peaceful means of the disputes arising between them must become one of the customary methods of international political life."

The question of the attitude of the Soviet Union to the League of Nations was dealt with as follows :—

"If the Soviet Union has objected, and continues to object to the League of Nations, the reason for this negative attitude is the circumstance that the League of Nations in its organization is nothing else than a method of consolidating those unjust treaties which were con-



cluded as a result of the World War. The League of Nations has sanctified the division of the States into victors and vanquished and to the first it grants the control of world policy."

The position of the Soviet Government in relation to the Communist International is also quite clear. The Russian Communist Party is the chief national section in the Communist International and the leading section, but not the only one.

For the deliberations and conclusions of this body the Government of the Soviet Union is certainly not technically or actually responsible, and the breach is widening. While the Communist International is preoccupied with the propaganda of its quite definite ideas, which are those which gave birth to the Russian Bolshevik Revolution, the Government of the Soviet Union which was set up by the Bolshevik Party is steadily and inevitably developing into a Government of the federated republics which is compelled to concentrate on the practical problems of Russia in Europe and Russia in Asia and to find in them what opportunity it can of applying its ideas of social organization derived from its theoretical Communism.

The extension of the Soviet Union outside Russia, which means the spreading of the world revolution, is now thought to be a task to be undertaken "within the measure of historical necessity." The great task which confronts the Soviet Government is that of raising a great group of nations up several stages in the evolutionary ladder, improving education, transport, agriculture and developing natural resources. In the effort to raise the economic organization of production, the standard of life, the standard of education and of cultured development generally the Soviet Union Government is sincerely trying to do its best under conditions of great difficulty. The foreign policy of the Union is thus inevitably conditioned by the immense nature of this effort it is compelled to make.

Since the lifting of the economic blockade of Russia in January, 1920, the progress of Russian Foreign relations have been towards greater and greater stability. The Trade Agreement concluded with Great Britain in March, 1921, was in fact a preliminary treaty and involved the *de facto* recognition of Russia as was stated at the time in the House of Commons by

Mr. Lloyd George. Trade Agreements with other countries followed and after discussion at an international conference at Cannes, Russia was invited to take part in the Genoa Conference in April, 1922, to discuss the international situation. The main object of inducing Russia to abandon her revolutionary position with regard to repudiation of debts and nationalization of property was unsuccessful, but a side result of the Genoa Conference was the treaty with Germany (the Treaty of Rapallo). The Hague Conference followed Genoa and was also inconclusive. In November, 1922, Russia was invited to the Lausanne Conference, where the relations of Turkey and Western Europe were discussed and treaties arranged. In 1923 the tendency to renew relationship with Russia became even more marked, and on February 2, 1924, the British Government (Labour) recognized the Russian Government *de jure*. Italian recognition followed soon after and then that of France. Recognition by Norway, Austria, Greece and Sweden also took place in 1924.

The Agreements made between Russia and other countries can be grouped under the following heads:—

- I. Agreements for Exchange of Prisoners of War, Evacuation and Repatriation.
- II. Peace Treaties and Agreements as to opting for Citizenship with—
  - (1) Latvia (1920 and 1921).
  - (2) Lithuania (1920 and 1921).
  - (3) Poland (1921).
  - (4) Finland (1921).
  - (5) Esthonia (1920).
- III. Temporary Agreements on basis of *de facto* Recognition :—
  - Austria (1921, 1922 and 1924).
  - Germany (1921).
  - Denmark (1923).
  - Italy (1921).
  - Norway (1921).
  - Czecho-Slovakia (1922).
  - Great Britain (1921).
  - Canada (1921 and 1922).

- IV. Treaties based on *de-jure* Recognition :—  
 Germany (1922 and 1923).  
 Italy (1924).  
 Sweden (1924).
- V. Agreements on special Economic Questions :—  
 Norway (Loan, 1922).  
 Finland (Rafting of timber in rivers, 1921 and 1922).  
     (Fishing, 1922).  
     (Gulf of Finland, 1923).  
     (Fishing in Arctic, 1923).  
 Esthonia (Rafting of timber, 1922).
- VI. Transport Agreements :—  
 Latvia . . (Through railway communication with Riga, February 26, 1921).  
 Poland . . (Railway arrangements on frontier, November 27, 1921).  
 Finland . (Railway arrangements, December 14, 1921, and October 28, 1922).  
     (Navigation on Neva, June 5, 1923).
- VII. Agreements for mutual return of Ships :—  
 Germany (April 23, 1923).  
 Finland (August 12, 1922).
- VIII. Agreements with regard to Posts and Telegraphs :—  
 Latvia . . (Post and Telegraph, March 3, 1921).  
     (Trade Parcels, January 12, 1922).  
 Poland . . (Postal-Telegraph connection, May 24, 1923).  
 Finland. . (Telegraphs, June 13, 1922).  
     (Posts, April 22, 1922).  
 Esthonia . (Telegraphs, March 16, 1921).  
     (Posts, May 18, 1921).  
     (Railway Communication, September 17, 1920).  
     (Direct passenger and freight communication, June 5, 1923).
- IX. Delimitation of Frontiers :—  
 (1) Poland (June 1, 1921).  
     Warsaw (January 24, 1922).

(2) Finland (March 21, 1922; June 1, 1922).

X. Special Problems :—

Austria. . (accommodation for Ambassadors,  
July 28, 1923).

Great

Britain. . (Submarine Cable, Lerwick-Alexan-  
drovsk, August 16, 1921).

Germany. (Courier Service, May, 1921).

Latvia . . (Arrested and Imprisoned Persons,  
August 16, 1922).

The policy of the Soviet Union in relation to Eastern countries was declared when on November 2, 1917, the Soviet Government declared the rights of the self-determination of all peoples included in the former Russian Empire. On November 22, 1917, there was published "The Proclamation to all Mussulmans of Russia and the East," which stated the Soviet Government's refusal to continue the Tsarist policy of colonial exploitation. In the West, Russia is obliged to be constantly on guard against stronger forces. In the East, Russia is economically stronger and uses its position to prevent exploitation by Western European powers. As M. Chicherin has stated, Russia can only gain by the greatest possible development of the Eastern countries and Eastern peoples.

All treaties of Soviet Russia and Eastern countries are based on *de jure* recognition and these include treaties of friendship with Mongolia, Turkey, Bokhara and Khorezm (Khiva). (The two latter are now incorporated in the Uzbek and Turkoman Soviet Republics).

The treaties at present in force between the Soviet Union and Eastern countries are as follows :—

Afghanistan. Peace Treaty, Moscow, February 28, 1921.

<sup>1</sup> Bokhara . . . Union Treaty, Moscow, March 4, 1921.  
Economic Agreement, Moscow, August 9,  
1922.

• Custom House Agreement, Moscow, May 31,  
1923.

Amu-Darya Flotilla, Moscow, April 30, 1923.

<sup>1</sup> Since merged in the Soviet Union.

- Mongolia. . . General Treaty, Moscow, November 5, 1921.  
Property, Urga, May 31, 1922.
- Persia . . . . General Treaty, Moscow, February 26, 1921.  
Postal Convention, Moscow, April 25, 1923.  
Telegraph Convention, Moscow, April 27, 1923.
- Turkey . . . General Treaty, Moscow, March 16, 1921.  
War Prisoners, Moscow, March 28, 1921.
- Turkey and Transcaucasus :  
Treaty of Friendship in which R.S.F.S.R. participated, April 13, 1921.  
Postal-Telegraph Convention, Tiflis, July 9, 1922.\*  
Railway Convention, Tiflis, July 9, 1922.
- <sup>1</sup> Khorezm (Khiva) :  
Union Treaty, Moscow, September 13, 1920.  
Economic Treaty, Tashkent, June 29, 1922.  
Amu-Darya Flotilla, Moscow, April 30, 1923.

A Russian political representative has now been appointed to China without formal treaty and recognition is given.

### THE YEAR OF RECOGNITION

Russia in 1920 was cutoff from and isolated by practically the whole world. Relations were so strained that the British Government, for instance, could give no authorization to its subjects to enter Russia, and earnestly attempted to dissuade those who desired to make the attempt. At Reval, in the spring of 1920, the Author nearly carried a minor international incident by inviting a representative of the British Consular Service and a representative of the Russian Delegation to Esthonia to ride together with him on a matter of business in the same cab.

There were, in fact, no "relations" between Russian and British representatives, each of whom studiously ignored the other. By 1924 the situation had so changed, that it almost appeared at one time that there was a scramble to be the first to "recognize" Russia. The recognition by the Labour

<sup>1</sup> Since merged in the Soviet Union.

Government broke the diplomatic ice, so that now most of the great countries of the world have representatives or Ambassadors in Moscow, and at the beginning of 1925 a definite Treaty was concluded with Japan with whom there had been more serious cause for disagreement than even with France or Great Britain, inasmuch as Japan had remained in occupation of some Russian territory up to the time when negotiations began.

The year 1924, the year of the death of Lenin (January 21, 1924), has thus become for Russia the year of recognition.

The main diplomatic events of the year were as follows :—

- |           |     |  |
|-----------|-----|--|
| February  | 1.  | Great Britain recognized Russia <i>de jure</i> .   |
| February  | 7.  | Italy recognized Russia <i>de jure</i> , Trading Agreement and Customs Convention signed.                    |
| February  | 13. | Norway recognized Russia <i>de jure</i> .  |
| February  | 20. | Austria recognized Russia <i>de jure</i> .   |
| March     | 8.  | Greece recognized Russia <i>de jure</i> .  |
| March     | 13. | Danzig recognized Russia <i>de jure</i> .  |
| March     | 15. | Sweden recognized Russia <i>de jure</i> , Trading Agreement signed, Diplomatic relations renewed with China. |
| April     | 2.  | Breakdown of Russo-Roumanian negotiations on question of Bessarabia.   |
| May       | 31. | China recognized Russia <i>de jure</i> . Sino-Soviet Treaty signed.  |
| June      | 18. | Denmark recognized Russia <i>de jure</i> .   |
| June      | 23. | Anglo-Soviet Trade Agreement extended to Canada.   |
| July      | 3.  | Trade Treaty between Soviet Union and Persia signed.   |
| August    | 8.  | Anglo-Soviet Treaties signed in London.  |
| September | 18. | Treaty signed between Soviet Union and Hungary.  |
| October   | 28. | France recognized Soviet Union <i>de jure</i> .  |
| December  | 9.  | British Government announce in King's Speech refusal to ratify Anglo-Soviet Treaties.                        |

But in addition to the events thus barely outlined a whole series of agreements, post and telegraph, railway, air service, commercial and others have been made between the Soviet Union and other countries. Russia is once more becoming knit to the main economic nexus of the world, and it is only a question of time before Russia enters into relations of a friendly character with all civilized states in the world.

How soon the complete linking up of Russia takes place depends very largely on Russia herself. And the two matters with which the world at large is chiefly concerned are Russia's repudiation of her internal credit obligations and the Russian Communist Party's efforts at revolutionary propaganda outside Russia. Inasmuch as the New Economic Policy imposes on Russia the necessity of obtaining loans or credit abroad, it is fairly certain that the Soviet Union will have to consent to some kind of compromise with regard to the payment of debt. The Anglo-Russian Treaty signed by the Labour Government and the Government of the Soviet Union in 1924 went a considerable distance in the direction of compromise and clauses of a similar character will certainly be required in any treaty which is eventually signed. When such a treaty is signed with Great Britain depends perhaps more on the question of propaganda than on that of debts. Propaganda in the East is peculiarly hurtful to the interests of Great Britain, not because of the possibility of the setting up of Socialist Soviet Republics in India or Afghanistan, for that is not the danger, but because it is easy to stir up trouble among a poor and illiterate population which may have very serious effects on Government organization and on the economic resources of the country. As it has been put in Great Britain, "Export Communism," that is very largely Communist-directed propaganda in the East, is not economic or political communism at all, but merely inflamed and excited racialism. It is, however, as difficult for the Soviet Government to prevent the hatching of plans for the exporting of such propaganda as for the British Government to prevent individual newspapers or individual orators making defamatory remarks about the Soviet Union. The Soviet Union Government does not allow much free speech, but it is obliged to allow free speech, within limits, to

those professing adherence to the Communist doctrines upon which it is founded and members of the political party from which the rulers of Russia are chosen. The situation as regards propaganda is one of the forces which act in the direction of separating the executive political members of the Government from the members of the Communist Party who do not take the same important part in actual work. The responsibility of office changes men in Russia as elsewhere, and it is clear that the representatives of Russia abroad take a very much more real and objective view of the world and of the relations of Russia with the rest of the world than is possible to the doctrinaire "left-winger" who stays at home.

### **The Treaty with Great Britain**

For historical reasons the Treaty with Great Britain, signed by the British Government in February, 1924, although not ratified, is of the utmost importance. The influence of that Treaty on Russia's relations with the world has been great, and in the discussion of that Treaty the fundamental considerations which govern the relations of the Soviet Union and other countries were brought into perspective. The main provisions of the Treaty are of a character similar to those which must guide Russia in her relations with all foreign Powers with which she is on an equality or to which she is inferior in economic or military strength.

### **The Anglo-Soviet Treaty**

The General Treaty, signed by the representatives of the British Government in August, 1924, was intended to replace the Trade Agreement of 1921. It was supplemented by a Treaty of Commerce signed at the same time. Neither Treaty was subsequently ratified, and the present relations of the Governments are therefore regulated by the Trade Agreement.

The General Treaty laid down a procedure for the satisfaction of claimants against Russia, and it was proposed that when the terms had been arranged by these claimants and the Soviet Government, that a further Treaty embodying the Settlement on this and allied questions should be included in



a third Treaty ; on the signature of this third Treaty the Government of Great Britain and Northern Ireland undertook to "recommend Parliament to enable them to guarantee the interest and sinking fund of a loan to be issued by the Government of the Union of Soviet Socialist Republics." That is to say, that when an agreed settlement of claims against Russia had been arrived at and on signature of a Treaty embodying this settlement, the British Government would submit the question of a loan to Parliament with a favourable recommendation, but the Treaty was not to come into force until Parliament agreed to the loan. This proposal aroused a storm of opposition and was a great contributing cause to the defeat of the Labour Government. But the proposal did not receive the detailed criticism to which a loan proposal would have been subjected in Parliament, and the pros and cons of the suggestion from a business point of view were very little considered, nor was the question of the security to be asked for from the Russian Government considered in detail. The Russian Treaties, in fact, were considered and condemned not on a business but on a political basis.

### The General Treaty

The General Treaty consists of an introduction and eighteen articles divided into four chapters ; it was drafted in the English language. The introductory paragraph sets out that Great Britain and Northern Ireland, on the one hand, and the Union of Soviet Socialist Republics on the other, "have decided to conclude a treaty" for the purpose of removing "all causes of friction and disagreement between the two countries and to place their relations on a firm, just and durable basis." The names of the plenipotentiary representatives are those given ; namely, for Great Britain and Northern Ireland, Mr. Ramsay MacDonald, M.P., and Mr. Arthur Ponsonby, M.P. ; and for the Soviet Union, Mr. C. G. Rakovsky, Mr. A. A. Joffe, Mr. A. F. Radchenko, Mr. A. L. Scheinman and Mr. M. P. Tomsy. All of the Russian representatives, with the exception of Mr. Scheinman, were members of the Central Executive Committee of the Soviet Union ; Mr. Tomsy and Mr. Rakovsky were, in addition,

members of the Presidium of that body. Mr. Rakovsky, of course, was also Chargé d'Affaires in London and Deputy Commissar for Foreign Trade ; Mr. Tomsy was President of the All-Russian Central Council of Trade Unions ; Mr. Radechenko, President of the very important Provincial Council of Trade Unions of the Doretz (coalfield) basin ; Mr. Schoinman represented the Presidium of the Soviet Commissariat of Finance. Article 1 states that " the present Treaty constitutes the formal general treaty in the preamble to the Trade Agreement . . . and replaces that agreement. Commercial relations between the two countries will in future be regulated by the Commercial Treaty signed this day by the representatives of the two Powers."

Chapter 1 follows and begins with Article 2, in which is recited the list of Treaties which have lost their force ; Article 3 recites the Treaties regarded as being in force ; Article 4 deals with multilateral Treaties to be regarded as being in force and provides for further additions by agreement.

Chapter 2 deals with Fisheries and provides in the annex to Article 5, the only article in the chapter, for regulation of the Fisheries " contiguous to the northern coasts of the territory of the Union of Soviet Socialist Republics." (These Fisheries have a great importance for Great Britain and need definite regulations.)

Chapter 4 deals with " Miscellaneous " matters and includes a clause dealing with propaganda as follows :—

#### *Article 16.*

" The contracting parties solemnly affirm their desire and intention to live in peace and amity with each other, scrupulously to respect the undoubted right of a State to order its own life within its own jurisdiction in its own way, to refrain and to restrain all persons and organizations under their direct and indirect control, including organizations in receipt of any financial assistance from them, from any act overt or covert liable in any way whatsoever to endanger the tranquility or prosperity of any part of the territory of the British Empire or the Union of Soviet Socialist Republics or intended to embitter the relations of the British Empire or the Union with their neighbours or any other countries."

The parts of the Treaty dealt with so far will be regarded by most people as non-contentious and the Article 16, directed to

the question of propaganda, is so worded as to make evasion very difficult, even if evasion were desired, of which the evidence on either side is very scanty.

But Chapter 3 contains the provisions for dealing with claims against Russia and a loan to Russia which excited such great controversy.

The first article of the chapter, Article 6, declares that the Soviet Union "will satisfy" by way of exception to the decree of January 28, 1918 (covering the annulment of debts of the former Imperial and Provisional Governments), "the claims of British holders of loans" either of the former Russian Governments or of municipalities other than those whose holdings were acquired by purchase since the 16th March, 1921, and which were in other than British ownership prior to that date. The terms agreed are to be embodied in the final Treaty which we have here called the third Treaty "provided that His Britannic Majesty's Government is satisfied that such terms have been accepted by the holders of not less than one-half of the capital values of British holdings in the loans referred to in this article."

Article 7 defers consideration of claims by the British Government against the Soviet Government or vice versa arising out of events between August 4, 1914, and February 1, 1924, to discussion at a later date.

The subjects included are War Loans from Great Britain, Russian gold, Sums owed by the Governments, claims as regards intervention.

Article 8 deals with claims of individuals or companies against either party for loss or damage due to events between August 1, 1914, and date of present Treaty and "in view of the admitted preponderance of the claims of British nationalists" shall be settled by the payment of a lump sum by the Soviet Government to the British Government.

Article 9 provides for the setting up of a tribunal of three representatives from each side to examine the claims raised under Article 8.

Article 10 provides for compensation to British nationalists for industrial businesses or land nationalized or concessions nationalized or cancelled and for the setting up of a Com-

mission to examine these claims. Article 11 is as follows :—

A second Treaty will be entered into which will contain—

1. The conditions accepted in accordance with Article 6 (Claims of Bondholders).
2. The amount and method of payment of compensation for claims under Article 8 (claims for damages).
3. An agreed settlement of property claims other than those directly settled by the Government of the Union of Soviet Socialist Republics.

Article 12 states :—

Upon the signature of the Treaty referred to in Article 11 His Britannic Majesty's Government will recommend Parliament to enable them to guarantee the interest and sinking fund of a loan to be issued by the Government of the Union of Soviet Socialist Republics.

The amount, terms and conditions of the said loan and the purposes to which it shall be applied shall be defined in the Treaty provided for in Article 11, which will not come into force until the necessary Parliamentary Authority for the guarantee of the said loan has been given.

Article 13. The provisions of this chapter constitute a single and indivisible unit.

### Criticisms of the Treaty

Many criticisms were made of the Treaty. It was stated that it was unfair to the British claimants against Russia, but it would appear that the tribunals and commissions proposed to be set up are the only kind of bodies which could adjudicate on such claims.

It was further alleged that the claims for War Loans and intervention damage put off for future consideration were of fundamental importance and should be considered at once. Nevertheless it is certain that the settlement of such claims is not prejudiced by a Treaty and that adjudication upon them must be the work of a much longer period than it would be reasonable to ask private claimants or companies to wait for compensation.

The proposed loan to Russia was the most disputed clause and certainly the most disputable. The arguments against it were, that the amount of capital available for investment is

limited and ought not to be made available for Russia, that the loan would be a loss and fall on the shoulders of the British Government, that the loan would be used to pay for propaganda against Great Britain or for the pay of the Red Army in Russia, and a number of similar objections. The arguments for the loan were that it would be largely spent in this country on the purchase of industrial machinery, agricultural tools and implements and on new ships and would thus help to relieve unemployment in the badly hit trades and further that by helping Russia to her feet we were helping her agricultural output, particularly of cereals, and thus helping to cheapen the price of food in this country.

The matter was not, however, argued on its merits in Parliament as the Labour Government went out of office and the King dissolved Parliament before the ratification of the Treaties was discussed.

### The Commercial Treaty

The Commercial Treaty provided for the establishment of free commercial relations between the two countries and extended the Export Credits Scheme to Russia. By Article 2 the existence of the Russian Government's Monopoly of Foreign Trade is recognized, carrying with it that "The Trade Representative and his assistants . . . shall be members of the Union Embassy in London and shall, as such, enjoy all the privileges and immunities appertaining thereto, including extra-territoriality for their offices in the Embassy. The Soviet Government assumed "responsibility for all transactions conducted by or on behalf of the Union Trade Representative." Article 6 lays down:—

"The subjects or citizens of each of the contracting parties shall in the territories of the other be exempt from all forms of compulsory military service whatsoever. . . . They shall be exempt from all money contributions, compulsory loans and pecuniary taxes for war purposes and from compulsory billeting, except in so far as such contributions, loans, taxes and billeting are imposed by the law of the country on all the inhabitants."

Other articles guarantee freedom of entry and egress from the respective countries, the right of free communication by

post and telegraph and questions of taxation, rights of shipping and many other detailed matters are fully dealt with.

The only seriously controversial article in the Commercial Treaty is that regarding the diplomatic status of Russian Trade Representatives. Given a State-controlled Foreign Trade, however, the representatives of the Trading Department are as much Government Representatives as the Ambassador or Charge d'Affaires and apart from the novelty of the functions discharged the according of diplomatic status introduces no new principle into diplomatic relations.

### The Soviet Government and Compromise

Anyone reading the Treaties signed by the Labour Government representatives in 1924 must be compelled to realize that the Soviet Government is prepared to go very far on the road of compromise in order to knit up again the links with other nations ruptured by the war and the Bolshevik revolution. It is significant indeed that the drafting of these Anglo-British Treaties was the precursor of agreement with Italy, France, and many other countries and later on with Japan. No one can think that Italy under Mussolini, who has stamped out Communism in Italy by severe methods, has any sentimental sympathy for Bolshevism; France, if less drastic in her treatment of Communists, is no less realist in her conception of Russia, and Italy and France have reopened full diplomatic relations with Russia and have Ambassadors at Moscow.

For the plain significance of the Treaties is that Russia has abandoned her attempts at living outside the normal economic system of the world and while guarding her monopoly of Foreign Trade, wishes to be united with the other great Powers.

The foreign policy of Soviet Russia is shaped by her economic circumstances and her geographical position. Both of these circumstances determine Russia's orientation toward peace. The need of peace and Russia's desire to assist in the stabilizing of Europe are emphasized again and again. Thus Mr. Rakovsky at the final session of the Anglo-Soviet Conference made an important statement on European affairs in which he stressed that "The task before all Governments is to strengthen inter-

national peace." And the avowed opposition of the Soviet Government to the organization of the League of Nations based, rightly or wrongly, on the idea that the League is an association of the victors in the World War for the purpose of "consolidating those unjust treaties which were concluded as a result of the World War."

But Russia's opposition to the political side of the League as far as the Peace Treaties are concerned does not prevent her co-operating with the League in Public Health, Transport and Labour organizations and there is little doubt that a *modus vivendi* will eventually be found whereby Russia and the League of Nations can work more closely together. Meanwhile Russia raises those European questions which especially concern her and which touch the position of Bessarabia, of Bukovina and of Eastern Galicia. These places are only geographical expressions to many people in Great Britain, but they are matters of intense personal concern to Russia and Roumania and, Russia and Poland.

† Bessarabia was incorporated in Roumania by the Treaty of Jassi on October 28, 1919, and Mr. Rakovsky asked the question "what right did they (i.e., the Allies) dispose of the fate of Bessarabia?" For Bessarabia and for the Bukovina, which is largely populated by Ukrainians, Russia demands the right of self-determination. In respect of Eastern Galicia, which was united to Poland by decision of the Council of Ambassadors in 1923, Russia also demands the same right.

Another aspect of Soviet Foreign Policy is revealed in connection with the Convention dealing with the Straits leading from the Mediterranean to the Black Sea. Russia wishes the Straits closed to warships of all Powers, so isolating the Black Sea as a field of conflict.

The interest of the Soviet Union in East European and Near Eastern affairs is more immediate than that of Great Britain for the simple reason that these affairs are matters of her own frontiers. The Balkan policy of the Soviet Union was laid down by Mr. Rakovsky at the last Anglo-Soviet Conference and aims at promoting the solution of the and complicated difficulties of that situation by a system of Federal Union combined with national self-determination. This policy is

the supreme importance of agriculture is realized acutely in Russia. The first international exhibition held at Moscow before the war—during 1923—was an Agricultural Exhibition, and much of the energy of Russia is being turned to develop agriculture and to revive cultivation by applying new and modern scientific methods. Machinery is being increasingly used.

During the seven years of war and political upheavals following on the revolutions of 1917 the agricultural life of the Soviet Union reached a very low ebb. The early experiments in Communism were not understood by the peasants, who refused to co-operate. Since the introduction of the New Economic Policy in 1921 there has, however, been a marked revival.

There has been steady progress in the western and northern region, particularly marked in the province of Gomel, where the area under intensive cultivation has doubled, and the application of improved modern methods is in advance of the pre-war record. There is improvement also in the Volga Province, and in Leningrad Province the total area under flax, grass and potatoes increased from 12.1 thousand acres in 1922 to 15.2 thousand acres in 1923. The following table shows how agriculture has improved in the province of Pskov :—

39

	Grass.	Flax.	Potatoes.	Total.
1921 . . .	5.9	5.9	6.9	18.7
1922 . . .	11.6	7.3	12.3	31.2
1923 . . .	23.2	16.6	15.3	55.1

\*

(Figures are given in thousand acres.)

In the central region of Russia, the Industrial Region, there has been an even more vigorous revival. In Kaluga Province the area under grass increased by 56 per cent. in 1923, and the total area under cultivation in this region has reached 95 per cent. of its pre-war level.



The Central Black Earth region south and east of Moscow, and including much of the Volga region, suffered particularly, as it was this territory which was invaded by Denikin and also in this region that the famine of 1921-2 occurred. The figures, however, show that an increase of cultivation is taking place :—

KURSK AND VORONEZ PROVINCES

	Grass.	Flax.	Hemp.	Potatoes.	Total.
1922 . .	·6	·19	1·2	5 8	7 79
1923 . .	1 35	1 3	1 9	10 8	15 85

(Figures are given in thousand acres)

In the Volga region cultivation increased in the Tatar Republic from 70·5 thousand acres in 1922 to 103·5 thousand in 1923, and in Saratov Province from 77·8 to 104·8.

In the south-eastern regions an improvement is also to be noted.

The year 1923 was the first year since the war that was marked by a general agricultural revival. The total area sown in 1923 was estimated at 180,000,000 acres, of which 150,000,000 were grain crops. This figure is about three-quarters of the 1913 figures and probably below the actual figure, partly because the peasants tend to under-estimate their acreage, as it is on this basis that they are required to pay the agricultural tax.

The greatest increases in 1923 occurred in the Urals, the Middle and Lower Volga, the Ukraine and the Northern Caucasus.

### The Export of Grain

By the end of 1923 the effort of the Soviet Union to revive the export of grain had achieved a considerable success. The first 100,000,000 poods of grain (1,610,000 tons) were exported to the following countries and in the following quantities

Country.	Grain in tons
Germany . . . . .	488,000
Holland . . . . .	285,000
France . . . . .	180,000
Finland . . . . .	100,000
Denmark . . . . .	90,500
Italy . . . . .	93,500
Turkey . . . . .	92,000
Norway . . . . .	75,000
Latvia . . . . .	46,000
Belgium . . . . .	57,000
Great Britain . . . . .	32,500
Sweden . . . . .	25,000
Estonia . . . . .	22,000
Greece . . . . .	17,800
Poland . . . . .	340

More than half of these amounts consisted of rye, a grain in which Russian competition has already ousted that of the U.S.A. from several markets. The amounts were: rye, 820,000 tons; wheat, 385,000; barley, 137,000; maize, 40,000; oats, 48,000; oilseeds, 96,000; various, 84,200. A marked change which has occurred since the war is a reduction of the cost of production of grain; it is now only one-half to two-thirds of the cost in 1913, whereas prices are now higher than in 1921.

A comparison of the 3½ months to end of 1923 with annual average pre-war shows a great fall in total export. The figures are as follows:—

EXPORT OF GRAIN IN THOUSAND TONS

Grain.	Annual Average, 1908-12.	Amount exported, Sept. 15, 1923 to Dec 31, 1923	Per cent.
Rye . . . . .	600	815	* 136.1
Wheat . . . . .	3,800	381	10.0
Barley . . . . .	3,400	136	4.0
Oats . . . . .	1,130	48	4.3
Maize . . . . .	755	40	5.2
Oilseed . . . . .	* 630	96	15.4
Various . . . . .	* 1,490	84	5.7
<b>TOTAL</b> . . . . .	<b>11,805</b>	<b>1,600</b>	<b>13.6</b>

These facts indicate that the worst period of Soviet agriculture has been passed. In those outside Soviet Russia the most important question is: Will Soviet Russia be enabled to take, once again, the important place she filled, pre-war, as a source of the food supply of the world?

To answer this question it is necessary to examine carefully the nature extent of the problem which confronts the Soviet Government. What has been the effect of the revolution on the peasants? What has been the effect on the distribution of land? What has been the effect of the revolution on the cultivation of the land? These questions cannot be answered without a study of the experience of the last few years and of the policy of the Soviet Government toward the agricultural problem.

### The Russian Peasant

Four outstanding facts place the consideration of the agricultural problems of Russia outside the ordinary conceptions which an inhabitant of Great Britain or of France or Germany brings to it.

Firstly, it is only about half a century ago that the peasants were emancipated from serfdom; secondly, the peasantry form about 80 per cent. of the population; thirdly, the standard of life of the peasants and the methods of agriculture are both at a low level; and, fourthly, the conception of property in land as known to us is foreign to Russia.

In Stepniak's well-known book on *The Russian Peasantry* (written and published about forty years ago), he states:—

"The theory of land nationalization, for which an extreme factor of social reformers have to fight so hard in Europe, is with us not a subversive but a conservative doctrine. It exists with us as a fact of universal knowledge, an ancient and traditional right, which our people have never renounced and never forgotten, only they did not know, and for the most part do not even now know, how to protect it" (Stepniak, *The Russian Peasantry*, p. 633. Routledge, 1905).

These conceptions are Slavonic conceptions and exist among the Balkan plains as well as in Russia. Prince Wassiltchukoff, in his study of the history of Russian agrarian legis-

lation, says (Stepniak *The Russian Peasantry*, p. 11. Routledge, 1905) :—

"There is no country in which the idea of property in land was so vague and unsteady as it was until very recently with us, not only in the minds of the peasants, but also of the representatives and heads of the State. The right of use, of possession, of the occupation of land, has, on the contrary, been very clearly and firmly understood and determined from time immemorial. The very word 'property,' as applied to land, hardly existed in ancient Russia. No equivalent to this neologism is to be found in old archives, charters or patents. On the other hand, we meet at every step with rights acquired by use and occupation."

When the peasants became serfs they found less difficulty in realizing the fact of their slavery than in understanding the law which allotted the land to the nobility by whom it was not tilled. "We are yours," they said to their masters, "but the land is ours."

The emancipation of the serfs, the revolution of 1905, the quickening pace of economic changes in the last twenty years, and finally the World War and the revolution have all affected the peasant, but they have not changed his fundamental attitude to the land, the primitive condition of agriculture has not been greatly changed, the level of standard of life of the peasants has not markedly improved and the proportion of peasants to town dwellers has not greatly varied.

Because of primitive methods of culture and of lack of transport, famines of greater or less extent and severity occurred from time to time. But, at the time when Stepniak wrote, the rate of mortality for the whole of Russia was between 35.4 and 37.3 per thousand.

"Taking 36 as the mean, we find that in Russia, with its thin population and a climate as healthy as that of Norway or Sweden, the mortality is 100 per cent. greater than in the latter, and 112 per cent. greater than in the former of those countries. It is 64 per cent. greater than in Great Britain; 37 per cent. greater than in Germany, and 39 per cent. greater than in France."

A congress of the Society of Russian Surgeons at their annual meeting in 1885, under the presidency of M. S. P.

Botkin, body-Surgeon to the Emperor, expressed the view that this excessive mortality was primarily due to a deficiency of food (bread). The mortality at that time was greater in the central provinces than in the outlying parts. The average increase in Russian population was 1.1 per cent. at that time, but death equalled birth in the central provinces, for there was no increase.

The mortality in the central provinces in 1882 was 62 per thousand per annum and the birth-rate 45 per thousand, or a decrease of 17 per thousand per year.

In Russia also at that time the death-rate in the villages was higher than that in the towns, although the sanitation of the towns was only of an "Asiatic" description.

Many of the conditions of Russian life that shock the Western European have nothing whatsoever to do with the immediate effects of the World War or of the revolution; they are unfortunate characteristics of a very primitive state of development from which the country is gradually emerging.

Present-day figures of vital statistics show that while the birth-rate is 48 per thousand, the death-rate is 31, but in the towns the birth-rate is only 35 per thousand and the death-rate 36. That is to say, that now, as in 1882, the rural areas are more unhealthy than the towns—the reverse of the experience of Western Europe generally. And the infantile mortality is enormous—440 per thousand, a figure higher than that of congested slum areas in Great Britain.

These are the conditions with which the Soviet Government has to grapple, and they show that the question of "Land Reform" in Russia is not an academic matter but a life and death struggle of the vast mass of the population.

### Land Holding

How fundamentally different the land question in Russia is, is seen by a glance at the statistics of land ownership in the past. Up to the time of the emancipation of the serfs there were only two classes of landowners, the State and the nobility owning respectively two-thirds and one-third of the whole land of European Russia; but of course the land was occupied and worked by peasants, giving as a rule three

days to their masters' land (without wage or reward of any kind, of course) and having three days for themselves, but sometimes less.

After the emancipation the peasants' conditions were economically worse, as they were deprived of 18 1 per cent. of the land they had previously occupied on one specious pretext or another. A landless proletariat was created at this time.

But from this time onward the land in the hands of private persons and of peasants began to grow.

	Percentages owned by:		
	Private Owners.	Govern-ment.	Peasants.
1877 (statistics from 49 Gubernias)	24 9	44 1	31 0
1887 (46 Gubernias) . . . .	25 0	42 0	33 0
1905 (50 Gubernias) . . . .	25 8	39 1	35 1

But a change as important as the numerical increase of peasant landholders was taking place; the increase was among those holding up to 2 dessiatines; those holding from 2 to 6 dessiatines and above 6 dessiatines decreased, but private persons holding land increased in all groups.

Thus the effect of the emancipation reform was to produce what Oganovsky, in his *Outline of Economic Geography of U.S.S.R.*, calls a "democratization of land owning."

The decrease in the holdings of the nobility amounted to the following :—

1859-1877	517,000 dessiatines.
1877-1879	741,000       ,,
1892-1896	785,000       ,,
1897-1900	977,000       ,,

After the 1905 revolution the decrease was more rapid; in the years 1906-10 the area of land held by the nobles decreased by 6,600,000 dessiatines, or 13 per cent. of the total amount. While the nobilities' lands diminished, that of the middle classes and peasants increased, and up to 1877 the

land of the middle classes increased faster than that of the peasants, but after 1877 the proportionate rates were reversed. Up to 1877 the middle classes obtained 30 per cent. more land than the peasants, but from 1877 to 1887 the land of the middle classes (in 46 Gubernias) increased by 3,300,000 dessiatines and that of peasants by 6,900,000 dessiatines.

Middle-class landowners appear to have bought their lands for purposes of re-sale; for every hundred dessiatines purchased in years 1875-80 they resold 42·0; for years 1881 to 1886, 55·0; for years 1887-92, 62·2; and for years 1893-98 they resold 84·2.

From 1880 to 1905 the land was purchased chiefly by associations of peasants; after 1905 individual purchase, but of smaller areas, was more usual.

Land purchase after 1905 grew to much greater proportions, as the Government encouraged individual ownership. In addition to these purchases peasants hired land as much as possible, so that in 1916 the distribution of land in Russia was as follows:—

Land allotted to peasants after emancipation	138,700,000 dessiatines.
Bought by peasants . . . . .	27,000,000
Hired by peasants . . . . .	35,600,000
	201,300,000
Government lands . . . . .	138,000,000
Church or town lands . . . . .	7,000,000
Landowners . . . . .	56,000,000

In the black-earth region of Russia the amount of land occupied by peasants was 88·1 per cent. of total and that of landowners only 11·9 per cent. The figures for the non-black-earth area were 92·8 per cent. and 7·8 per cent. respectively.

### The Revolution and the Land

What happened at the revolution was that the peasants took extra land in an irregular and spasmodic way, and the Bolshevik authorities have been trying to introduce order and method, with the results of a mass movement ever since. By the end of 1920 information from thirty-six Gubernias

of European Russia showed that, out of 22,847,917 dessiatines in the hands of landowners, the peasants took 21,407,152 dessiatines; collective enterprises, 391,614 dessiatines; and Soviet farms, 1,049,150 dessiatines. That is to say, that the peasants' land increased from 94,720,628 dessiatines to 116,127,780 dessiatines—or up to 99·8 per cent. of the total area of convenient land.

The increase of land has not been equal, owing to the disparity and the amount of landowners' land for division and the different Gubernias.

But according to the official calculation of statistics from twenty-nine Gubernias the land per head has increased from 1·87 dessiatines to 2·26 dessiatines, or by ·39 dessiatines, but of this amount half was already being used as hired land by the peasants.

The change in land ownership was not, however, entirely at the expense of the landlord class; in many Gubernias the amount taken from the richer peasants was little less than that from the landowners.

A comparison of areas according to methods of cultivation before and after the revolution is instructive in this respect :—

Method of cultivation.	Percentage of land holdings. Zentro Census in 10 Gubernias before World War.	Spaart Census by Central Executive Committee.	
		1917.	1919.
Not sown . . . . .	12·6	11·4	6·5
Cultivated up to 2 dessiatines .	24·5	59·1	74·0
Cultivated 2·5 to 9 or 10 dessiatines	48·0	21·6	16·4
From 9 or 10 to 11 or 12 dessiatines	11·2	4·5	2·2
Above 12 dessiatines . . .	3·7	3·4	·9

The result of the land revolution is therefore that the smallest and the largest farms have alike decreased, and the best type of holding, that from 2·5 to 9·5 dessiatines, has also decreased, while the small holding has increased.

To obtain anything like an equalization of holdings was impracticable, as it would have meant mass transfer of popu-



lation from one area of Russia to another, involving a population of 20,000,000 persons.

The general process of change in the share of land of different social groups continued up to 1922, but specific provisions of the Land Code now prevent it except by legal process and by recognized methods.

The changes from 1917 to 1922 are shown as follows :—

Groups of peasants holding land.	Result of inquiry in seven selected Gubernias in industrial and purely agricultural districts in Russia and the Ukraine (Commissariat of Agriculture). Percentage of land held.		
	1917.	1920.	1922.
Wealthy peasants . . . . .	13.5	11.7	11.2
Middle peasants. . . . .	42.7	40.8	39.2
Poor peasants . . . . .	43.8	47.5	49.2

That is to say, that up to 1922 the characteristic of the land redistribution was an equalization downwards. But the year 1923 reversed this process, as shown below :—

Amount of land cultivated per desiatina	Change in peasants' land-holding from 1922 to 1923 in percentage. Calculated from observations in 30 Gubernias in cultivated land.		
	1922.	1923.	Change in percentage (+) or (-).
Up to 0.5 dessiatines . . . . .	15.0	11.9	- 20.7
0.5-1.0 dessiatines . . . . .	35.2	34.7	- 1.4
1-1.5 dessiatines . . . . .	31.7	33.6	+ 6.0
1.5-2.5 dessiatines . . . . .	15.2	16.5	+ 8.6
Above 2.5 dessiatines . . . . .	2.9	3.3	+ 13.8

The same tendency is also confirmed by a selected inquiry in the Central Agricultural district in 1923 and by statistics of sowing in the Ekaterinoslav Gubernia. Apart from the land distributed to the peasants the Soviet Government

possesses a great deal of land, the extent of which is not accurately known. In 1921 the Government forests alone were calculated to cover 592,630,000 dessiatines, and there are several hundred million dessiatines of unpopulated or thinly populated areas in the Steppe and the Northern Tundra. Only one-fifth of the land of Soviet Russia is, in fact, cultivated by the peasants, but of the remainder that which is convenient for cultivation is largely in the hands of Soviet agricultural institutions, of which there are stated to be 4,948 (excluding the Ukraine), with an area of nearly 2,500,000 dessiatines. In the Ukraine the Soviet Government owns the sugar-beet farms of 400,000 dessiatines and about 224,000 dessiatines used for other purposes. The total area of land owned and managed communally by the Soviet Government is about 3,000,000 dessiatines.

### The Position of the Peasants

The position of the peasants has been generally improved by the land redistribution, but is by no means so satisfactory as might be desired. The methods of cultivation are primitive, even simple agricultural implements are lacking and there is a great shortage of live stock and particularly an inequality in the distribution of this stock. The resources of Soviet Russia in live stock are shown in the following table, which, while it discloses a rise since 1922, also shows a very serious fall from pre-war, although the standard even then was not high enough.

	Live stock in Soviet Russia in 1922 and 1923 compared with 1916 as normal.		
	1916	1922.	1923.
Working horses . . . . .	100	64.9	68.2
Horses below 1 year . . . . .	100	50.0	50.0
Horses over 1 year . . . . .	100	41.2	50.0
Oxen up to 2 years . . . . .	100	62.9	65.7
Oxen over 2 years . . . . .	100	57.1	42.0
Cows . . . . .	100	81.2	90.2
Calves . . . . .	100	55.6	73.2

Actual figures give the following :—

Animals.	1916.	1923.
Horses . . . . .	28,000,000	19,000,000
Horned cattle . . . . .	50,000,000	38,000,000
Sheep and goats . . . . .	83,000,000	56,000,000
Pigs. . . . .	19,000,000	9,000,000

But the distribution of stock is as follows : 17 per cent. of peasants have no stock, 57 per cent. have only one or two heads, 20.6 per cent. have three or four head of stock and only 5.6 per cent. have over four head.

Under Russian conditions three or four head of stock are necessary at least for proper farming, proper cultivation and the maintenance of a fair standard of life, so that 74 per cent. of peasants are still living in poverty (Gouroff, *State of Agriculture in U.S.S.R. The Agrarian Crisis and the Problem in the Villages*. Moscow, 1924).

The Soviet Government is doing its best to remedy this state of things by loan of seed, and by organization of purchase of agricultural implements, by assistance to Co-operative Societies, etc., etc. The real remedy lies in the improvement of methods of cultivation and increase in numbers of stock, which will result in the increased production necessary to maintain a higher standard of life. Considerable progress is being made in this direction, but is necessarily slower than could be wished, as the country is only now emerging from the period of suffering caused by the World War and the revolution and civil war.

### Present Position of Agricultural Production

Before the World War the area sown in Russia amounted to 87,000,000 dessiatines. In 1921 this had fallen to 50,000,000. By 1923, however, it had risen to 70,000,000.

The area under grain crops in 1913 and 1923 is shown below :—

Crop.	Area under grain crops in million acres.	
	1913.	1923.
Rye . . . . .	70.0	65.8
Winter wheat . . . . .	14.9	10.8
Summer wheat . . . . .	63.5	24.5
Oats . . . . .	45.0	26.3
Barley . . . . .	28.0	16.8
Buckwheat . . . . .	5.4	6.5
Millet . . . . .	8.9	14.6
Maize . . . . .	2.4	4.3

Of non-grain crops the areas under cultivation in 1923 were decreased in every case (except sunflowers), and is represented by the following percentage figures : Potatoes, 71 per cent. ; sugar beet, 38 per cent. ; flax, 64.5 per cent. ; hemp, 83 per cent. ; sunflower, 222 per cent. ; cotton, 33 per cent. ; grasses, 50 per cent.

A comparison in the weight of non-grain produce shows the same facts in a different light :—

Crop.	Weight of non-grain crops in million poods.	
	Before war.	1923.
Flax fibre . . . . .	36	12
Hemp fibre . . . . .	17	12
Flax seed . . . . .	32.6	17.1
Hemp seed . . . . .	16.8	16.6
Sunflower seed . . . . .	53.3	90.9
Potatoes . . . . .	—	1,691 (about $\frac{2}{3}$ of pre-war figure)
Sugar-beet . . . . .	600	132
Raw cotton . . . . .	50 to 60	10

The reasons for the diminution of production are partly political and partly economic ; but the period of the agricultural ebb-tide has been passed.

Taking the figure for 1922 as 100, the 1923 figures for the chief grain crops are as follows: Winter rye, 114; summer rye, 104; winter wheat, 113; spring wheat, 135; barley, 149; oats, 124; buckwheat, 130; millet, 89; maize, 65. And non-grain crops and special cultures increased from 4,877,000 dessiatines in 1922 to 5,787,000 dessiatines in 1923. The gross receipts from the sale of agricultural produce and stock were 7,800,000,000 gold roubles (about £78,000,000) pre-war, but in 1923 only 5,205,000,000 gold roubles, or about exactly two-thirds of the pre-war receipts. There is still, therefore, a great deal of effort required before agriculture reaches the pre-war standard.

### Agricultural Machinery and Implements

One of the serious drawbacks to agriculture is the deficiency of machinery and implements. The figures showing proportion of ploughs and harvesting machines per 100 acres show a general decline from 1910 to 1920 and from 1920 to 1923. During the war and revolution periods it has been impossible to replace material worn out, lost or destroyed. The figures are as follows:—

	Proportion of agricultural implements per 100 acres of cultivated land.		
	1910.	1920.	1923.
Russian plough (usually wood) .	10.3	9.6	8.2
Steel plough. . . . .	7.0	11.2	9.6
Harvesting machines . . . .	1.1	2.6	2.3

Another factor that complicates the question is the overcrowding of the villages in European Russia owing to the closing of many factories in towns. The increases, expressed in percentages per each 100 acres cultivated, are as follows for the different districts of Russia: North-eastern, 192.7 per cent.; North-western, 117.8 per cent.; Western, 156.3 per cent.; Central Industrial, 219.2 per cent.; Vyatka-Vetlooga, 117.9 per cent.; Ural, 193.9 per cent.; Central

Agricultural, 155.6 per cent. ; Middle Volga, 211.2 per cent. ; Lower Volga, 212.0 per cent. ; Crimea, 237.5 per cent.

Russia has an immense area of land, but it is only as yet very partially cultivated. In European Russia (50 Gubernias) 17 per cent. of the area is ploughed ; in Western Siberia, 1 per cent. ; but in Eastern Siberia only .3 per cent.

In the work of increasing the area of cultivation and of improving cultivation and breeds of stock, the Soviet estates will play a great part, and they form a very considerable factor, 3 per cent. of the total landholding in Russia at the present time.

## Methods of Husbandry

### *Pasturage*

This is the system of husbandry in the Tundra of Russia and Siberia in the southern districts, the Astrakhan Gubernia and the Kirghiz Steppe.

### *Forest Clearances*

This is used particularly in Siberia, but also in the northern districts of the forest held in European Russia. An area of forest is cleared, the wood burned and the soil is sown for several years running with rye, oats or flax. When exhausted the land is allowed to lie unused for an indefinite number of years.

### *Fallow Land System*

This is chiefly used in the Steppes. Unploughed land is sown from five to eight years running, until a fairly satisfactory harvest is obtained. It is then left for twenty-five years while a new area is sown and the fallow area is used for pasture. This system can only be used where there is much spare land as in the Bashkir and Don Gubernias and also in the Crimea. Only one-quarter of the available land is used by this system.

### *Primitive Rotation of Crops*

The three-field system is the most widely extended in Russia. In this system each field is sown by turns, one with winter rye or wheat, the second with spring wheat or potatoes

and the third is left fallow. This method is very exhausting to the land.

In the central regions of Russia a four-field system in which cultivated grasses are also sown in addition to other crops is also in use.

### *Scientific Rotation of Crops*

This is very little developed in Russia and chiefly on what were formerly well-managed large estates belonging to private proprietors.

### *Intensive Cultivation*

In the suburbs of large cities the land is intensively cultivated and great quantities of manure used.

With primitive methods of farming the average yield of Russian land is only half what it is in France, one-third what it is in Germany and still less a proportion of the yield of land in Belgium or Holland.

These considerations apply not only to lack of agricultural implements but to backwardness in use of manure. The comparison in following table brings this out clearly:—

Country.	Weight of manure used per acre, and weight of crop obtained, in poods.	
	Manure.	Crop.
Belgium . . . . .	21 4	165
Holland . . . . .	10 5	162
Germany . . . . .	8.8	140
France . . . . .	3.2	87
Russia . . . . .	.39	46

### **Factors in the Revival of Agriculture**

Russia is undoubtedly backward in agriculture, but a revival is no less undoubtedly taking place and is based on the stabilization of social conditions due to the ending of war and civil war, the stabilization of landholding embodied in the provisions of the Land Code (*q.v.*), the simplification of agricultural taxation by the substitution of the Single Agricultural Tax, the New Economic Policy which allows:

free trade inside Russia, the revival of the peasant (small or koustar) industry made possible by this free trade and the very great revival of Co-operation. This revival is being helped by the Government who are assisting by seed loans, by the purchase and manufacture of agricultural machinery and by an educative propaganda of better cultivation in which the Soviet farms play a part as well as the technical classes arranged by the Commissariat of Education.

The general stabilization of social conditions is treated in the opening chapter of this book, and one of its effects is seen reflected in Foreign Policy and the series of agreements and recognitions recorded in the chapter dealing with that subject. The Land Code is separately analysed, but it is necessary here to consider taxation, koustar industry and Agricultural Co-operation and provision of Agricultural Machinery.

### **Agricultural Taxation**

One of the factors which contributed to the diminution of the area of land cultivated in Russia after the revolution was the policy of "military communism" under which grain and other crops were taken from the peasants at fixed prices by a system of requisitioning of compulsory levies. The New Economic Policy of 1921 substituted for this a tax paid in kind, but there still existed other national taxes as well as local taxes. These taxes became very burdensome to the peasants, and in response to the general desire of the peasants a Single Agricultural Tax was substituted for State taxes by the decree of May 10, 1923. This tax replaces the former food tax, labour and cartage tax, property tax, civil tax and all taxes formerly levied by the Councils of Peoples' Commissars of autonomous republics, executive committees of regions, provinces or counties. The only taxes which may be levied on the peasants apart from this are those imposed by the Village Soviet or by the rural district, that is to say, taxes enforced by the peasants themselves in the nature of local rates. The budgets of local authorities other than these are met by a proportionate grant from the general exchequer.



The tax is assessed in grain units, but may be paid in kind or in money at a rate fixed by the central government for the particular area. Payment in money is demanded in the northern provinces which do not provide enough grain for their own needs, in distant areas such as in Eastern Siberia and in areas where transport is especially difficult, such as Daghestan and the Mountain Republics.

In order to stimulate certain cultures, exemptions from taxation are made. Thus cotton is totally exempt and there are special regulations to encourage cultivation by soldiers and sailors of the Army.

The tax is, on the whole, well received by the peasants and its yield is reasonably satisfactory.

### Agricultural Machinery Output since Revolution

Between the years 1900 and 1913, when Russian industry was beginning to develop on a large scale, the home demand for agricultural machinery led to a rapid development in the manufacture of these goods. The value of the output in 1913 was five times as great as that in 1910, when it first reached the 10,000,000 gold rouble level. Side by side with this growth in manufacture, the imports of agricultural implements also increased steadily.

With the outbreak of war, however, the manufacture of agricultural machinery at once declined. By 1916 it had fallen to the 1910 figure. The revolution, the civil war, and intervention drove down the output still further. In 1920 the values produced were only 2,500,000 gold roubles. Since 1914 there had been practically no imports, and by 1920 the shortage of agricultural machinery and implements had become disastrous. It is estimated that in 1930, when Russia's industries will almost certainly have been fully restored, the demand for agricultural machinery will still be little short of 130,000,000 gold roubles annually, or £13,000,000 sterling.

In view of the abnormal international position, Russia has to rely very largely on her own resources in this matter. With this end in view the Government, about the middle of 1922, united into combines the largest and best equipped of the

existing agricultural machine construction factories. There were about forty-five such factories at the time and with these there were amalgamated another twenty-two factories adapted for this purpose. Five provincial trusts were formed, which combined in a syndicate, in order to get the necessary raw materials and to dispose of their products. A large number of smaller and poorly equipped works were left out of this scheme.

Figures are now available, showing the output of agricultural machinery and implements during 1922 and the first quarter of 1923, a summary of which we give in the tables below :—

OUTPUT OF PLOUGHS IN THOUSANDS.

	Wooden.	Iron.	Total
1st quarter, 1922 . . . . .	18	19	37
2nd „ „ . . . . .	12	22	34
3rd „ „ . . . . .	14	23	37
4th „ „ . . . . .	9	35	44
1st „ 1923 . . . . .	4	39	43

Iron ploughs are steadily replacing wooden ones, which were formerly used by the peasants in almost every district of Russia. Half of the output of ploughs is accounted for by the central region ; next comes the factories of the southern region.

As regards harrows, 70 per cent. of their production is accounted for by the central region.

OUTPUT OF HARROWS IN THOUSANDS

	Annual.	Average per month.	Per cent. proportion.
1913 . . . . .	127 0	10 6	100 0
1921 „ . . . . .	6 1	0 5	4·7
1922 „ . . . . .	20 2	1 7	16·0
1923 (first quarter). . . . .	4 2	1·4	13·2

The manufacture of drills is concentrated almost completely in the factories of the southern regional trust; the output shows considerable improvement as compared with 1921.

OUTPUT OF DRILLS IN THOUSANDS

	Annual.	Average per month.	Per cent. proportion.
1913 . . . . .	68.4	5.7	100.0
1921 . . . . .	0.15	0.04	0.7
1922 . . . . .	5.7	0.5	8.8
1923 (first quarter). . . . .	1.9	0.6	10.5

A similar improvement is shown in the output of reapers.

REAPERS IN THOUSANDS

	Annual.	Average monthly.	Per cent. proportion.
1913 . . . . .	111.0	9.3	100.0
1921 . . . . .	5.5	0.4	4.3
1922 . . . . .	13.1	1.1	11.8
1923 (first quarter) . . . . .	3.2	1.1	11.8

Before the war, scythes were made mainly in the large factories of the Vilna Province, now detached from Russia; 1,000,000 scythes were produced there each year, and only 46,000 in districts now included in Russia. The figures in the following table apply only to factories now in Russia:—

OUTPUT OF SCYTHES IN THOUSANDS

	Annual.	Average monthly.
1913 . . . . .	46.0	3.8
1921 . . . . .	976.1	81.3
1922 . . . . .	944.7	78.7
1923 (first quarter) . . . . .	254.0	84.7

About 80 per cent. of this total are manufactured in the Urals trustified factories; three-quarters of the scythes manufactured in the central region also fall to the share of the trustified factories, or of factories directly subordinate to the centre. The manufacture of sickles, on the other hand, has not increased to the same extent, the monthly output being still only 15 to 21 per cent. of the pre-war output.

OUTPUT OF THRESHING MACHINES IN THOUSANDS

	Annual.	Average monthly.	Per cent. proportion.
1913 . . . . .	110.2	9.1	100.0
1921 . . . . .	1.7	0.14	1.5
1922 . . . . .	18.6	1.5	16.5
1923 (first quarter) . . . . .	5.6	1.9	20.9

While the output for the first quarter of 1923 was higher than the average quarterly output of 1922, it was only little more than half the output for the last quarter of 1922, when 9,000 threshing machines were produced.

Generally speaking, however, the agricultural machine construction industry is developing as rapidly as possible, and the programme of output is being raised each year. This does not mean, of course, that Russia's needs of agricultural machinery can be met in the near future from Russian sources alone, and for many years to come considerable quantities will have to be imported from abroad.

### PEASANT INDUSTRIES

A very characteristic aspect of Russian life is found in the Peasant Industries, the Koustar Industries, found widely distributed all over Russia. The first reaction of the Russian revolution towards these industries was expressed either in indifference or in hostility. Industry to the Communist meant large-scale industry such as that of Lancashire and Yorkshire, the Clyde or the East Coast. The peasant carving his wooden spoons or bowls, the woman weaving her linen

on the hand-loom, the leather worker employing primitive and traditional methods on a small scale did not fit into the picture in which Russia under the regime of Communism was concerned as a republic in which the industry of the towns supplied the manufactured goods and the labour of the peasantry provided the food-stuffs and the raw materials such as flax and cotton.

The proclamation of the New Economic Policy meant, among other things, the abandonment of this too theoretical conception in favour of a strenuous effort to build better on the existing foundations in the country. Instead, therefore, of being indifferent or hostile, the Soviet Government now endeavours to strengthen and develop it, aids it to expand and extend by co-operation and makes full use of it for the needs of the peasant economy.

There is no doubt that out of the koustar industry, under intelligent direction, there will come not only products useful in the internal economy of the country, but also an increasing number of skilled workers available for a more effective organization of industry on a larger scale.

The following brief résumé shows how the koustar industries are distributed in the Soviet Union :—

### (1) Koustar Industry

Nearly all peasants practise koustar industries which are divided into five groups :—

- (1) Wood.
- (2) Metals.
- (3) Textile materials.
- (4) Furs.
- (5) Clay.

The koustar industry which uses wood as its raw material is the most important, and exists chiefly in the northern districts of Russia and in the Moscow district.

The industry is divided into :—

(a) Furniture-making in Moscow, Vyatka, Nijni-Novgorod and Perm Gubernias.

(b) Carriage-building in Nijni-Novgorod, Kazan, Vyatka, Ufa, Simbirsk and other provinces.

(c) Making of wooden spoons. This is spread everywhere, but especially in the Semenovska district of the Nijni-Novgorod Gubernia, where about 135 villages are occupied in this industry.

(d) Coopering—especially developed in Kiev, Poltava and Kharkov.

(e) Basket-making, mat-making and working with bast—in northern districts.

(f) Toys, chiefly in Moscow Province and especially at Sergivevo and Dmitrov; it is also developed in Vladimir Province, particularly in the village of Bogorodsk.

## (2) Metal Koustar

(a) Knives, forks, scissors, and locks in Nijni-Novgorod, Vyatka, Perm, Novgorod and Yaroslav Province.

(b) Agricultural implements making is developed wherever iron is produced. Ploughs are especially made in the Sapogikov district of the Ryazan Gubernia.

(c) Nails—Novgorod, Tver and Yaroslav Gubernias.

(d) Samovars (tea urns)—Tula Gubernia.

## (3) Textile Koustar

This industry is developed more or less in every gubernia where plants used for making of textiles are grown. It is especially developed in Yaroslav, Moscow, Vladimir, Ivanovo-Voznesensk and Kostroma.

The village of Olonetz in Yaroslav Gubernia is famous for its linen, Kostroma for table-cloths; Kazan for fine linen. Lace-making is well developed in every flax-growing gubernia. Olonetz lace is famous.

The Textile koustar industry is particularly important, as its manufactures  $2\frac{1}{2}$  times more than the textile factories.

The making of leather goods is widespread. Kimry in the Tver Gubernia is famous for its shoes. Fur dressing is also widespread, the chief raw material being sheepskin. The Romanov short fur coat is famous and comes from the Tutaev district (formerly Romanov) of the Yaroslav Gubernia. Jewellery work is especially developed in Kostroma and in Kazan Gubernias. Also in the Caucasus.

### Pottery

This is developed pretty well everywhere in the U.S.S.R., but especially in the Ukraine in the Poltava Gubernia.

Ikon painting is especially developed in the Vladimir and Kursk Gubernias.

To turn back to the questions which we asked in an earlier part of this chapter. The effect of the revolution on the peasants has been to equalize their social conditions, to free them from the economic exploitation of landlords and usurers and to increase their political independence. The effect of the revolution on land cultivation has been to set at work powerful forces working for improvement.

Owing to the setbacks of the war years the pre-war production has not yet been attained, but it will be attained and probably surpassed in a few years.

And, further, the position of the peasant is being profoundly changed by the stamping out of illiteracy and by the great growth of the co-operative movement.

A renewed Russia in which agriculture is improved and the cultivation area extended by co-operation will be a solid basis for the industrialization of the Republic.

## CHAPTER VIII

### Industries

**T**HE control of industry in the Soviet Union is the particular concern of the Government and is expressed in the policy of nationalization of large-scale industry, Government control of Foreign Trade operations and nationalization of the means of transport and communication. When to this is added the fact that all land is regarded as the property of the State and that the occupiers of the land have only the right to occupy it so long as they use it for farming by means of their own labour (hired labour being allowed, however, under certain conditions), it is clear that the Soviet Government is carrying its Socialist principles into practice to a considerable extent.

The organization of the industry and economic life of Russia generally has passed through three phases: first, that of military Communism, extending from the time of the revolution to the spring of 1921; second, the period of the inauguration of the New Economic Policy, beginning in the spring of 1921 and extending to the end of the year 1923-1924, that is, to October, 1924; and the third period which Russia enters into during 1925.

In the first period large-scale industry, small-scale industry, wholesale trade and retail trade, all were nationalized at least in theory. It was never in practice possible to prevent retail trade, but in 1920, at a time when hospitals, for instance, were unable to get milk through the system of Communist distribution set up by the Government, and when the hospitals actually themselves made private purchases from peasants, it was a technical crime to engage in private trade. The markets in Moscow and other towns continued in an atten-



uated form, but they were always liable to be raided by the police, the buyers and sellers rounded up and brought before the revolutionary courts. Sentences, such as that of three weeks' imprisonment, for instance, were inflicted on private persons without work or means of obtaining food, who sold articles on the market in order to be able to satisfy their necessities.

During this first period the intention of the Government was to organize the life of the country on a purely Communist basis. The peasants in the country were to grow food and exchange it with the proletarians of the town for manufactured commodities. Money was regarded as a disappearing symbol of the old order of bourgeois society, and the financial policy of the Government was inspired by the idea of the ultimate complete disappearance of money as a means of exchange.

During this military Communist period the Government nominally shouldered the responsibility for the complete provision of all the needs of all the citizens, men, women and children. All education, for instance, was to be freed up to university standard, and all material necessities of life—food, housing, clothing, books and all things used by a child—were to be provided freely by the State. The adult parents were not regarded as primarily responsible for their children, but as primarily productive workers, according to their occupation, whose children would be cared for by the community as a whole. It was during this period that large numbers of "Children's Houses" were set up where groups of 20, 30 or 40 children—sometimes many more—lived together in a juvenile community of their own. And parents were to be encouraged to send their children to such houses and live their own lives independently as productive adult members of a Communist commonwealth.

In industry the workers were to be paid not in money but in kind, receiving free housing, free transport by rail or tram-car, and free supplies of clothing and food. The peasants were to grow corn, keep what they required for their own needs and give up the whole of the rest to State officials, who would give them, in exchange, textile fabrics, agricultural machines, agricultural implements and, in fact, all they needed.

During this period all private trading was called "speculation" and classed as economic counter-revolution.

The peasants did not understand the theory behind this policy. Their whole ideas and mode of life were based on individual, family or small-group cultivation of the land. The peasants were accustomed to produce corn or cattle, or other products, and bring them to market for sale for money, with which money they purchased what they required from small traders. With such habits, such mentality and such methods of production it was practically impossible to convert them to Communism. The peasants, in fact, supported and support the regime of the existing Soviet Government, not because of sympathy with Communism, but because it guaranteed and guarantees to them the land which they, the peasants, had themselves taken from the land-owning classes during 1917, 1918 and 1919. Land has never been regarded as private property in the way in which it is regarded in Great Britain. But the peasant regards himself as having an indisputable right to hold, occupy and cultivate land. The revolutionary seizure of land by the peasants in 1917 was no sudden outbreak. It was the culmination of a very long process, originating before the time of the emancipation of the serfs in 1861, by which the peasant sought to get more land, and considered he had the right to more land because he was the user of the land. Conceptions of ownership of land are gone into in more detail in the chapter on Agriculture. It is quite clear that although the present ideas with regard to land were of a primitively Communist type, it was of a type which had no practical relationship with the industrial Communism sought to be introduced by the Bolsheviks and indeed repugnant to its ideas of elaborate organization and exchange.

The peasants did not accept the policy of military Communism. Sometimes the peasants resisted actively, more usually passively. And the means of passive resistance was by refusing to sow more land than would suffice for their own needs.

The peasants would not work the Communist machine, partly because they did not understand or sympathize, and

partly because they did not get the manufactured products from the towns, of which they stood in need, and partly because the system made their money valueless.

On the side of industrial organization, quite similar difficulties were encountered to those found among the peasants. Food was short and work was hard. Therefore the workers in mill or mine, in factory or workshop, wished to leave their work and go to the country villages from which they came and live on the products of the land.

All town workers in Russia are still very close to the land; most of them come from the villages when they are already grown up and few have lived more than one generation in a town. But during the period of military Communism the worker in the factory was in the position of a soldier on duty. The most serious crime that can be committed by a soldier in war-time is that of desertion to the enemy. The factory worker was in the same position, for if the factory worker deserted, the whole Communist machine would collapse. The war on the "economic front" was realized as an actual combat. Desertion from work became a crime and workers were guarded by soldiers with fixed bayonets, but with the temptation of the slack peasant life before him very large numbers of workers did desert industry. Some were arrested by military guards sent to find them, but very many more were never captured, and those who stayed at the works could not work as hard as usual, partly because of lack of food and in the winter because of cold through lack of fuel, partly from lack of discipline, but also because of the difficulty of effective management.

In the early period of the revolution factory committees of workmen managed all industries; the expert staff of engineers, managers and directors were subordinate to their instructions and these instructions were sometimes given in a way very prejudicial to the efficiency of the industry. The technical staff were in any case only tolerated as members of the bourgeoisie who had to be used for the time being until workmen got the necessary training. The remuneration of such technical staff was reduced to a low level, considerably below the standard to which they had been accustomed, their

social status was inferior to that of the manual workers, and the theory behind the control of industry was one with which for the most part they did not sympathize.

The evils of "workers' control" of this primitive and essentially unorganized kind were very obvious in 1920. Prominent members of the Government became convinced, that workers' control on the lines practised in Russia would not do. And already in 1920 very important modifications of Communist principles were being applied. Thus the original equal scale of wage remuneration (regarded not as a wage but as a share) was modified out of existence. A graded scale was introduced and "specialists"—that is managers, engineers and technical experts—began to be able to command very high salaries.

The difficulty about the organization of production was not one of combining the factory committees and the technical staff alone. The difficulty was largely one of the scarcity of all kinds of skilled work. Not only were managers and technical experts of capacity rare,—many had fled the country in the early days of the expropriation of industry—but all kinds of skilled workmen were rare. Some had been killed or taken prisoners in the war against the Central Powers. Some had been killed or disappeared in the Civil War (1918-1920) and some had emigrated. In 1920 a skilled mechanic capable of repairing a locomotive on the railway could command almost anything he might like to ask. Practically no Russian industry dates back more than fifty years and when the strain of a gigantic social and economic change came upon the country the reserves of capable and efficient workers was very rapidly drawn upon to its full extent, and that full extent was insufficient for the work to be done.

By 1920 Russia's Agriculture and Industry had got into a condition of stalemate. Peasants could not get what they wanted, and therefore could not and would not produce and deliver food-stuffs. The industries of the town could not get sufficient food-stuffs and therefore could not carry on their productions adequately. The decrease in production is given later on in this chapter, but the condition was one which clearly could not continue. Under these circumstances,

Lenin gave the word to initiate a New Economic Policy which would allow private trade within the country while maintaining the Government's control of large-scale Industry, Transport and communications and Foreign Trade.

In the spring of 1921 the New Economic Policy was inaugurated and at once goods appeared again on the markets, particularly food-stuffs, and a process of rapid readjustment of the country's internal organization set in. But Russia was faced with the same kind of problem of reconstruction as had faced Austria-Hungary, Germany and other European States after the war, added to which were the results of two years' Civil War, and the vast disorganization consequent on the experiment in military Communism. And Russia had to face her problem almost entirely on her own resources. Up to 1920 there had been an effective economic blockade of Russia, and the first reopening of international trade relations in 1921 was in a very small scale compared with Russia's needs.

One of Russia's most serious difficulties was that of money circulation, for it speedily became evident that money must play an essential part in enabling large-scale Government industry to coexist with peasant production from the land, with small-scale industry in private hands and with an extensive free trade inside the country. But the Soviet rouble was still being issued in accordance with the theories of the first period, that of military Communism, and continually falling in value. This aspect of the matter is treated more fully in the chapter on Finance.

Despite difficulties, however, Russia's position steadily improved. It was realized that trade could not be dictated, and that industry was dependent on the market. For a time the market was robbed, according to Mr. P. Bogdanov, by the use of the political power of control, but by degrees this policy gave way to that of strengthening industry by more normal means. It is true that Russia had, and has many disadvantages, but she had during this second transition period one considerable advantage. Russian industries before the war were in the habit of accumulating large stocks of raw materials and a considerable stock was still available when

the New Economic Policy began. During part of the period, Russia lived on accumulated stocks and was able to make use of national capital in a way no non-Socialist Community could have done.

The third period which Russia is now entering upon is expressed in the policy of the Soviet Union Government to industrialize the republic. Its effective beginning may be said to date from the time when a stable money currency finally displaced the Soviet rouble in the middle of 1924. No doubt this period, too, will be moulded by the circumstances of the national life to which the Soviet Government are always keenly responsive, and probably agriculture will play a larger part in the programme of the next few years than the Government at present contemplate.

### The Organization of Industry

The general policy of the Soviet Government being to keep all large-scale industry and foreign trade in the hands of the State, the separate industrial organizations are grouped together in combined associations, the so-called "Trusts," and some of the smaller units in particular industries have either been suppressed as of not sufficient economic importance or handed over to private enterprise. The general tendency, in fact, has been for concentration and centralization.

In the beginning of 1923 there were 430 "Trusts," including 4,144 enterprises employing about 1,000,000 workers. Groups of enterprises formed the "Trusts" and these again were joined into 17 Syndicates.

The Textile Syndicate included 39 Trusts; the Tobacco Syndicate, 5 Trusts; Inferior Tobacco Syndicate (Mahourka), 2 Trusts; Salt, 10 Trusts; Leather, 27 Trusts; Saw-mills, 3 Trusts; Matches, 6 Trusts; Agricultural Machinery, 7 Trusts, etc.

Trade in certain specified articles such as arms, explosives and poisons is prohibited. Trade in gold and silver and in foreign currency is subject to special regulation. But apart from that, internal trade in Russia is free, and despite the activity of State and co-operative enterprises, the bulk of

private trade in Russia, which is trade in the villages with the peasants, is free.

In considering industry it is essential to remember that factory industry in Russia only began after 1861, when the emancipation of the serfs created a class of proletarians. A cynical result of "the gift of freedom"! Many landowners at that period became industrialists. But Russian industry did not export more than a small percentage of its production, with the exception of sugar. Nearly the whole production of Russian manufactures was consumed in Russia, but industry did not grow very rapidly, partly from lack of skilled workers, but also because of (1) low purchasing power of the peasants who were dependent on fluctuating harvests, (2) low productivity of Russian factory labour, (3) insufficiency of technical education, (4) large number of holidays, (5) necessity of import of machinery from abroad, (6) expense of heating factories for seven or eight months in the year, (7) great distances between factories and supplies of raw material and fuel.

All these factors made the cost of production very high in Russia pre-war, with the result that Russia did in fact only appear in any important way in the world's markets as an exporter of raw materials, grain, wood and so forth, and as an importer of manufactures.

In undertaking to carry on large-scale industry by the State, Russia is therefore tackling a problem difficult on account of its comparatively early stage of technical development, but manageable as regards its size. But Russia does not carry on all large-scale enterprise by the State. In certain cases the Soviet Government is willing to grant concessions of enterprises. Each concession is an exception to the general law and requires special legislation. Apart from concessions nationalized enterprises may be leased.

In effect, therefore, there is very great scope for the employment of private capital which may be used by an individual, by a limited company formed in the same way as limited companies in other countries (for special legislation see Civil Code) or by a mixed company, that is one in which the capital is held partly by the Government (or by an organization under Government control) and partly by private persons.

The association of private capitalists and co-operative organizations is also possible.

### The Output of Russian Industry

The gross production of Russian Industry pre-war was calculated as 5,600,000,000 roubles and the net production 2,300,000,000 roubles. The gross production of Russian Industry in 1923 was 1,900,000,000 roubles and the net production 700,000,000 roubles at pre-war prices. This, although a great fall in comparison with 1913, is an increase on the previous year and by 1924 the productivity of industry as a whole reached 42 per cent. of pre-war production.

Since 1923 energetic measures have been taken to cope with the relatively high prices of manufactured products and the low prices of agricultural products. At one period the divergence of prices was so wide as to cause a crisis in productive trade by the absence of purchasing power on the part of the peasants and the crisis was the subject of many economic, agricultural, co-operative and other conferences. The divergence of prices was enshrined in a phrase (said to have been invented by Trotsky) which called it the economic "scissors."

That high prices led to a decrease in consumption is shown by the following table:—

CONSUMPTION OF INDUSTRIAL PRODUCTS  
(Per head of population)

Product.	Year.				1923-24 figure as a per- centage of 1913.
	1913	1921-22.	1922-23.	1923-24	
Sugar (Russian pounds) .	20	23	4.1	7.4	35
Salt (Russian pounds) . .	33	13.1	17.7	21.0	64
Matches (boxes) <sup>†</sup> . . . .	25	6.7	11.5	14.0	56
Cotton fabric (arshins) . .	25	3.8	5.3	9.5	40
Pig Iron (Russian pounds)	72.0	3.2	5.0	14.0	20



The campaign of price reduction energetically pursued by the Government reduced prices as follows :—

PRICES OF INDUSTRIAL PRODUCTS

(Per cent. of pre-war)

Product.	October 1, 1923	October 1, 1924.	Reduction per cent.
Leather . . . . .	322	218	33
Foods . . . . .	325	211	35
Building materials . . . . .	304	208	32
Metals . . . . .	207	177	15
Textiles . . . . .	271	177	25
Timber . . . . .	137	176	6
Fuel . . . . .	210	173	19
Electrical goods . . . . .	173	160	9
Paper . . . . .	179	141	21
Chemicals . . . . .	175	124	29
Oil . . . . .	117	101	23
All products . . . . .	247	177	29

Or if certain reductions on fuel not taken into account above are included, the total reduction from October, 1923, to October, 1924, was over 35 per cent.

Consequent on reduction of prices there has been an extension of industry and of output, which increased from 1923 to 1924 by 30 per cent.

In comparison with pre-war the output of large-scale industry has now reached 46 per cent. ; oil, 65 per cent. ; coal, 50 per cent. ; flax, 72 per cent. ; wool, 89 per cent. ; leather, 49 per cent. ; heavy chemicals, 59 per cent. ; rubber, 68 per cent. ; sawn timber and 3-ply, 54 per cent. ; paper, 47 per cent.

The rise expected in 1925 is about 30 per cent. It seems probable, therefore, that on a conservative estimate the production of the large-scale industry of Russia will have reached normal in a few years' time.

### Productivity of Russian Workers

Owing to the conditions of social and political disturbance from which Russia has emerged, it has been very difficult to

obtain accurate and reliable statistics. Thus there is considerable divergence in the estimates of the number of workers in Soviet Russia and of the productivity of their labour on the part of different Government departments. These difficulties about estimates are of course not confined to Soviet Russia (any student of the Fiscal controversy in Great Britain, for instance, knows what divergent views may be held) and existed in Russia before the war to a marked degree. But it is nevertheless possible to come to certain fairly definite conclusions. All the data studied point to three main facts: (a) increase of gross production; (b) increase of productivity of individual workers; (c) increase in unemployed. The increase of production, according to Soviet calculations, from 1920-21 to 1921-22 was 59 per cent., and from 1921-22 to 1922-23 it was 42 per cent. That is, the rate of change has become slower.

A conservative estimate gives that the number of employed workers decreased from 1920-21 to 1921-22 by 20 per cent., but increased in the year 1922-23 by 15 per cent.

The productivity per worker in large-scale industries was estimated in the year 1921-22 at 1,116 roubles and for 1922-23 at 1,292 roubles (statistics of Gosplan), i.e., an increase of 16 per cent.

The absolute number of workers in the nationalized large-scale industries on January 1, 1923, was estimated at 1,476,755 as against a pre-war figure of 2,598,000—or 60 per cent. of the pre-war figure.

The wages of workers in 1923 were calculated as being 55 per cent. of the pre-war wage, but show a tendency to rise. The average pre-war was about 18 roubles (£1 16s. a month); the present wage is thus about £1 a month. A curious feature of Russian conditions is that the curve of employment and the curve of unemployment have a tendency to rise together. The explanation is simple. The villages are overcrowded, and whenever conditions in the town industries are tempting, considerable numbers of workers flock into the towns. This is partly a result of conditions in the civil war when many workers fled to the villages and only began to return to the towns in 1922 and 1923. From January, 1922, to January,

1923 (Rabinovitch in *Socialistic Economy*), the number of unemployed rose from 129,000 to 800,000. The total number of workers in Russia is estimated at about 5,000,000, so that the percentage of unemployed in 1923 was about 16 per cent.

### The National Income

Professor S. H. Prokopovitch (formerly Professor of Economics at Moscow University) calculated the national income in 1913 as follows :—

Rural Economy . . . . .	5,630,000,000 roubles.
Forestry and Fishing . . . . .	730,000,000
Industry . . . . .	2,566,000,000
Transport . . . . .	1,055,000,000
Building . . . . .	842,000,000
Trade . . . . .	981,000,000

Considering these statistics and similar calculations of Mr. P. T. Popov, Director of the Bureau of Statistics of the Soviet Union, it is estimated that the products of industry have decreased by three-quarters and that of rural economy by one-quarter. In 1912 industry contributed 42 per cent. of the national income, in 1922 only 21 per cent.

### General Survey of Russian Industries

The textile cotton Industry of Russia accounted for three-quarters of the total production pre-war and the position it held brought it near to Germany. Before the war England had 56,000,000 spindles ; the U.S.A., 31,000,000 ; Germany, 11,000,000 ; Russia, 9,000,000 ; and France, 7,000,000.

In 1921 the U.S.A. increased the number of spindles to 36, France to 9.6, but Russia had only .5 million in operation. The number of spindles active in 1923 had, however, risen to 1.6 and production had increased in greater proportion owing to the adoption of a system of two shifts of labour.

The cotton textile Industry is chiefly developed in the Moscow district, but is also developed in Ivanovo-Voznesensk, which used to be called "The Russian Manchester," and in the Kostroma, Yaroslav and Tver Provinces. There are also cotton factories in Leningrad. Half of the raw cotton manufactured pre-war was Russian (Turkestan and Caucasus).

and the rest was American, the import being nearly one-half the total imports.

The various factories are now grouped together as a Cotton "Trust."

### Woollen Textile Industry

Pre-war the number of spindles amounted to about 1,500,000, of which two-thirds has now gone to the new border states, leaving only 382,000 spindles in the Soviet Union. Most of the wool used pre-war was Russian production, but fine wool had to be imported, as merino-sheep breeding was not developed. The woollen textile factories were chiefly in the Moscow Province and were 1,210 in number, employing 166,557 workers.

### Flax and Hemp Spinning

The number of flax-spinning spindles pre-war was 400,000 (excluding Finland and Poland), and Russian industry was the third in the list of world production. The greatest number of factories were in the Moscow Province and in the provinces of Ivanovo-Voznesensk, Vladimir, Kostroma and Yaroslav.

Hemp factories are chiefly in Leningrad, Rybinsk and Odessa.

### Silk Industry

The industry of silk-weaving has existed for a very long time as a *koustar* (peasant craft) industry in the Caucasus and in Turkestan. The chief silk factories were in Moscow and used foreign silk to a large extent, as Russian-grown silk was not of a sufficiently high quality. There were also numerous brocade factories pre-war. Silk imports had begun to diminish rapidly before the war, sinking from 25,475 poods in 1911 to 11,855 poods in 1913.

### Present State of the Textile Industries

*Cotton.*—Twenty per cent. of cotton factories in pre-war Russia are now in border countries separated from the Soviet Union. This diminution of strength, combined with insufficiency of raw material and of fuel, of workers and of food

fallen as follows : 1913, 609 engines ; 1915, 883 ; 1921, 76 ; 1922, 115 ; 1923, 101. The building of wagons has suffered even more severely, the figures being : 1913, 20,429 wagons ; 1914, 31,674 ; 1921, 823 ; 1922, 585 ; 1923, 458.

### **Agricultural Machinery and Implements**

The amount of agricultural machinery used in Russia was always small in comparison with its acreage of cultivated ground, but a Russian agricultural machinery industry arose in connection with the locomotive works before the war and was making substantial progress.

In 1913 the value of product was 50,000,000 roubles ; but this fell in 1920 to 2,800,000, rising in 1921 to 3,300,000 ; 1922, 5,200,000 ; and 1923, 10,000,000.

Russia, in addition to manufacture pre-war, also imported about the same quantity as she herself made, including all the more complicated machines which Russian industry could not produce, such as agricultural tractors and reapers and binders. But the Russian manufacture was of a high grade and produced especially good ploughs, drills, winnowing machines, chaff-cutters, and horse threshing-machines as well as agricultural implements. Nevertheless, the using of any machinery or implements remained and remains primitive ; wooden ploughs, for instance, are still very extensively used in Russia.

A significant feature of the production in 1922 was that the actual product of scythes was one and a half times that of pre-war. Agricultural machinery and implements are chiefly made at Ekaterinoslav, Odessa, Ryazan and Voronej.

### **Electro-Technical Industry**

Up to 1914 practically the whole of this industry, and especially that of the building of dynamos and transformers, was concentrated in the " Siemens-Schukert " factories, the Universal Electrical Company and the " Dynamo." All of these were German firms, financed by German capital and managed by Germans. And the larger part of the material required was imported into Russia in a semi-manufactured condition. Only cable and accumulators were actually made

in Russia, and these partly from imported raw materials.

The productivity of the industry decreased very much up to 1920, but has risen since 1921, and in 1924 was about 44 per cent. of the pre-war quantity.

The following table gives the chief branches of production since 1914. It will be noted that the 1923 figure for the production of cable is good and that the production of lamps exceeds the 1914 figure.

PRODUCTION OF ELECTRO-TECHNICAL INDUSTRY, 1914-1923

Branch of Production.	1914.	1920.	1921.	1922.	1923
Dynamos and transformers in 1,000 kilowatt units {.	420	23	38	88	100
Telegraphmachinery(pieces)	1,711	—	571	944	1,136
Telephone machinery in 1,000 pieces . . . .	50	14	7	8	17
Cable. Value in million roubles (pre-war) . . .	15.8	2.1	3.7	6.9	13.3
Accumulators. Value in million roubles (pre-war).	2.4	0.9	0.6	0.5	0.6
Lamps. Value in million roubles (pre-war) . . .	2.8	—	1.1	1.9	3.8

### Paper-Making Industry

Despite her enormous forests the industry of paper making was not very much developed in Russia before the war, and about one-third of the total quantity required was imported. The existing industry was concentrated in the Leningrad Province, in Moscow, Tver, Kaluga and Kiev. A large part of the industry, however, was in Finland.

Owing to the illiteracy and backwardness of Russia, the amount of paper used in Russia was only one-sixth to one-seventh of that used in the United States of America, England, France or Germany.

The total pre-war production of Russia in 1913 was calculated at 24,500,000 poods, but only 9,100,000 poods of this were made within the present borders of the Soviet Union. In 1920, out of the seventy-four paper factories, only twenty-nine

for the workers, together with the wearing out of machines, brought the industry to a condition of extreme decay.

In 1913 with 9,000,000 spindles Russia produced 16,000,000 poods of product. In 1920 with 385,000 spindles she produced only 825,000 poods. This rose in the following years : 1921, 1,000,000 poods ; 1922, 3,000,000 poods ; 1923, 4,500,000 poods. In 1924 the rise was much greater and is dealt with later on in this chapter.

*Woollen Textiles.*—About 40 per cent. of former Russian woollen textile factories are now in countries separated from Russia and only 38 per cent. of her pre-war spindles remain. The production was as follows : 1913, 2,500,000 poods ; 1919, 460,000 poods ; 1921, 466,000 poods ; 1922, 632,000 poods ; 1923, 884,000 poods.

*Flax Spinning.*—1913 production, 2.1 million poods ; 1921, 531,000 poods ; 1922, 1,000,000 poods ; 1923, 1.8 million poods.

### Food Products Industries

Flour mills, grain mills, sugar manufactories, oil mills, distilleries, breweries, etc.

*Flour mills* along the Volga, in the south of Russia and on the railways coming from the corn-producing areas. The biggest mill is at Nijni-Novgorod. Grain mills are in the same areas as flour mills.

*Oil mills* are in the provinces of Voronej, Saratov and other southern provinces. Mills for making cotton-seed oil are in the cotton districts. The production remained at a low level until 1922 (1920, 1,000,000 poods ; 1922, 1.5 million poods), but largely increased in 1923 to 5.3 million poods.

*Sugar Manufacture.*—Both sugar-cane and sugar-beet are used in Russia. Sugar-cane was chiefly used in the Ukraine before the war ; there were 194 factories there, of which 88 were in the Kiev Province and 40 in the Kursk-Voronej district.

*Beet-sugar manufacture* grew very much in Russia, which occupied the position of second largest producing country before the war. The chief countries making sugar pre-war were :—

Germany . . .	157,000,000 poods.
Russia . . .	117,000,000
Austria-Hungary . . .	92,000,000
France . . .	43,000,000
U.S.A. . .	27,000,000
Belgium . . .	17,000,000

The consumption of sugar in Russia was only about 25 lb. per head before the war (England, 99 lb.; Holland, 50 lb.), but Russia exported 32,000,000 poods a year.

The production of sugar fell progressively from 1915 onwards to 1921, when it began to rise again. 1914 production, 105,421,000 poods; 1916, 72,645,000 poods; 1918, 20,342,000 poods; 1921, 3,064,000 poods; 1922, 12,000,000 poods; 1923, 18,000,000 poods. The catastrophic fall in 1920 and 1921 was largely due to the invasion of the Ukraine by foreign armies.

*Distillery Industry.*—This was a Government monopoly before the war, but was stopped by Government order during the war. The strength formerly made was 40 per cent., but now only 20 per cent. is permitted. In 1923 the total product was only about 2 per cent. of that in 1914.

*Brewing Industry.*—The larger number of breweries of pre-war Russia were in the Baltic Provinces, which have now separated. Brewing has now restarted and breweries are chiefly situated in the north-western and south-western provinces. Breweries also exist in Siberia and in Turkestan. Both Moscow and Leningrad have good private breweries now working.

### Railway-Engine Building

The building of railway engines in Russia only began in the 'eighties of last century, when the Imperial Government imposed a tariff on foreign imports. After that the industry grew rapidly and is concentrated chiefly at Leningrad, in the Moscow Province (Moscow is the railway centre of Russia) and near Nijni-Novgorod on the Volga. The largest works were the Putilov Works at Leningrad, Kolomna in the Moscow district, and Sormova just outside Nijni-Novgorod.

The productivity of this industry at the present time is very small, the number of locomotives built per year having



were in operation with a production of only 2,200,000 poods ; in 1921 and 1922 the quantity produced was about the same, but in 1923 it increased to 4,100,000 poods. Owing to the shortage of paper it was very difficult to get anything but the most urgently necessary political and economic printing done, and all kinds of books were withheld from publication from lack of material. The poster newspaper—a fly-sheet posted on to a wall to serve general needs—was a characteristic of Russia during the revolutionary period, not only in the villages and small towns, but even in Moscow and Leningrad.

### Manufactures of Animal Products

As regards technical development, these industries are the least developed of all Russian industries, but they occupy a very important place in Russian life.

### Leather Industries

This industry, one product of which, "Russia leather," is a well-known luxury article all over the world, is hardly developed above the level of a koustar or peasant craft. The leather works were chiefly concentrated in the Leningrad Province, in Moscow, Nijni-Novgorod, Kazan and Vyatka. Boot and shoe factories are in Leningrad and Moscow.

The total number of leather works was about 2,000.

### Soap-Boiling

The manufacture of soap was not well developed in Russia before the war, and most of the works were small, almost on koustar lines. A well-known brand of soap was the "Kazan Soap." Works are spread pretty well all over Russia.

### Candle Manufacture

Only ten factories existed in Russia pre-war ; the one in Kazan (Krestovnikov Works) was a very large establishment, and produced half the soap on the Russian market as well as a great output of candles.

### **Saw Mills**

Despite the gigantic extent of Russian forests there were few saw-mills pre-war. Those which existed were chiefly in Archangel and Leningrad Provinces. The total number of mills was about 1,400.

### **Glass Works**

Manufacture of glass is chiefly concentrated in the northern half of U.S.S.R. There are works in Leningrad (formerly the Northern Glass Industrial Society), in the Orel Province and in Vladimir Province. The Maltsev factories in Vladimir were well known.

The production of window glass in 1913 was 3,300,000 poods; in 1920, 156,000 poods; in 1921, 288,000 poods; in 1922, 416,000; and in 1923, 1,938,000 poods.

### **Porcelain, Crockery and Ceramics**

The manufactures produced by the 39 factories pre-war nearly satisfied the demand of the internal market in Russia. There were the well-known factories of the Brothers Kusnetsov and the Brothers Kornilov. The famous Imperial porcelain factory in Leningrad has latterly produced some very interesting Bolshevik china.

### **Brick-fields**

There are very many brick-fields in Russia, but the industry is not highly organized, being in fact little more than a peasant craft (koustar), from which it is very difficult to get any reliable statistics of production.

### **Chemical Industry**

The chief products manufactured in Russia are mineral manure, soda and sulphate products.

The production of acids, alkalis and salts in 1913 was 27,600,000 poods, and this had fallen in 1920 to 4,600,000 poods and risen in 1922 to 8,100,000 poods, and in 1923 to 12,000,000 poods.

Mineral manure production was only able to partially

satisfy the home market before the war. The larger part of such manure was imported. 12,000,000 poods of superphosphate was imported out of a total of 18,000,000 poods of mineral manure used. Sulphate of ammonium was produced in 1913 to the extent of 843,000 poods. The pre-war production of superphosphate in Russia amounted to 3,000,000 poods, but this had fallen to 300,000 poods in 1920, and in 1921 and 1922 it was even less, but it rose again in 1923 to 426,000 poods.

The whole chemical industry in Russia before the war was very largely under German influence, and this was especially true of the manufacture of drugs and of paints, the production of which in Russia was practically wholly in German hands.

The Russian Soda Works, on the other hand, nearly satisfied the Russian internal demand pre-war. Works were in the Ekaterinoslav, Kharkov, Perm Provinces. The yearly product pre-war was about 10,000,000 poods and its manufacture was in Russian hands.

*Sulphates.*—The factories pre-war mostly worked on imported raw materials, 9,000,000 poods of which were then imported annually. During the war the productivity of Russian sulphate and nitrate works grew very greatly. Slag was produced to a very small extent in Russia pre-war and about 11,000,000 poods were imported annually. Nitre was imported pre-war to the extent of about 3,000,000 poods a year.

### Matches

The chief production of matches in Russia is from the provinces (in order of productivity) Novgorod, Minsk, Penza and Tchernigov. These four provinces supply half the needs of the internal market. In 1917 there were 124 factories producing 4,000,000 boxes with an average content of 75 matches.

### Rubber Manufactures

Factories exist in Moscow and Leningrad and a large production of galoshes was marketed yearly. Lately the produc-

tion has been again rising. Russian galoshes pre-war had a high reputation. In 1920 the products of rubber goods were less than 1 per cent. of 1913 standard. In 1913 20,000,000 pairs of galoshes were made; in 1920, 10,000 only; but, in 1923, 10,000,000 pairs.

### Cosmetics

There are several well-equipped factories manufacturing high quality products.

### Fuel Industries

\* In Russia in 1911 there were obtained from Russian coal-mines 1.7 milliard poods of coal, a little more than one-tenth of the production of Great Britain. But the consumption of coal in Russia pre-war was only 13 poods per head, or say a quarter of a ton per year, including domestic and industrial uses. This small use of coal was due partly to the greater accessibility and cheapness of wood and partly to the difficulties of transport. The heating of houses in Russia was done by the burning of wood in 75 per cent. of all cases.

The largest amount of coal in Russia was obtained from the Don coal-fields, which yielded three-quarters of the total product mined before the war. Don coal is of very good quality and there is a large proportion of anthracite.

Other coal deposits which are worked exist in the Moscow Province and in the provinces of Ryazan, Tula, Kaluga, Smolensk and Tver, but it is not usually of high quality and is not suitable for the making of coke.

Coal is also obtained in the Ural Mountains and in small quantities in the Caucasus, and in Turkestan.

The greatest coal deposits, however, are those in Siberia. The Kusnetski coal basin is calculated to hold ten times the amount of coal in the Don basin and it is of very good quality. On account of transport difficulties it is hardly exploited. But in other parts of Siberia there are also huge coal deposits, beginning in the Irkutsk Province and stretching to Sakhalin and Kamchatka. The Oheremkovsky basin in the Irkutsk Province is richer than the Don basin. The survey of Siberia

is still far from complete and many other deposits are expected to be found.

*Import of Coal into Russia.*—Despite these great riches in coal in Russia, the transport distances and the transport difficulties were so great that it was necessary to import about one-half a milliard poods into Russia every year before the war. Leningrad, for example, found it more profitable to import coal from abroad, despite a high import duty, rather than purchase Russian coal.

The production of coal in the U.S.S.R. in 1913 reached 1,688,000,000 poods; it fell in 1921 to 472,000,000 and rose in 1922 and 1923 to 588,000,000 and 658,000,000 poods respectively.

*Turf.*—There are enormous deposits of turf in the central and northern parts of the U.S.S.R., and it is on the exploitation of this fuel that many of the plans of electrification rest. The production has risen greatly. In 1913 it was 81,000,000 poods; in 1914, 101,000,000 poods. The figures for the years since then are as follows: 1915, 86,000,000; 1916, 83,000,000; 1917, 71,000,000; 1920, 93,000,000; 1921, 140,000,000; and 1922, 124,000,000.

*Inflammable Schists.*—Deposits of these schists are found widely scattered over Russia, but exploitation of them only began since 1914. There are large deposits near Leningrad and it is worked in small quantities in some places on the Volga.

*Naphtha.*—Before the war Russia occupied second place in the world as a producer of naphtha, with a production of over one-quarter of that of the United States of America. Three-quarters of this amount was obtained in the neighbourhood of Baku on the Caspian Sea. Next to Baku in importance was Grozni, in which place, despite the general great fall in production of which Russia has been the victim, the production has grown from 73,700,000 poods in 1913 to 75,800,000 in 1921, and 86,000,000 in 1922. The production of Emba district has also grown from 1,000,000 poods in 1912 to 6,000,000 in 1913 and 8,000,000 in 1922. Some naphtha was also obtained from Cheleken Island, from Ferghana Province and elsewhere.

Many of the oil deposits in the U.S.S.R. have been very

little investigated. There are deposits in the Ukhtinsk district, where the Ukhta River joins the Pechora, and in the Transcasian districts.

In Kamchatka and Sakhalin there are huge oil deposits which have hardly been investigated.

The total production of naphtha in 1913 was 561,000,000 poods; in 1921, 233,000,000; 1922, 276,000,000; and 1923, 315,000,000. Thus the naphtha industry is in a healthier condition than that of coal.

*Wood.*—Wood for burning plays a very important part in Russian life. Seventy-five per cent. of all domestic heating is done by wood; many industries use wood as a fuel and many railway locomotives burn wood.

### Iron Mining

Russia is very rich in iron ores, which are only worked to a comparatively small extent. But despite the presence of these deposits, and despite the fact that the use of cast-iron per head of the population in Russia was only about one-eighth of that of Great Britain in 1913, even then Russia had to import annually before the war about 47,000,000 poods of iron, cast-iron and steel. Much of the import was for the Baltic Provinces and Poland, which are now separated off from the Soviet Union.

The iron deposits in Russia are especially rich in the south, chiefly in the Krivoy Rog basin, after which come the deposits in the Ural Mountains. Iron is also worked near Moscow, in Olonets districts, in the Kerchensky Peninsula, in the Altai Mountains of Siberia, in the Caucasus and in some other places.

Iron mining and smelting were very severely hit by the war and the revolution. The production of 257,000,000 poods of cast-iron in 1913 fell to practically nothing in 1919, when not a single furnace was working, and by 1921 the production had only risen to 7,000,000 poods, in 1922 to 10,000,000, and in 1923 to 18,000,000.

### Precious Metals

*Gold.*—Before the war Russia ranked as fourth among the countries producing gold. The Transvaal, U.S. America, and

Australia came first and then Russia with 3,500 poods or half that of the United States and something less than a quarter that of the Transvaal.

The richest deposits of gold are in Siberia on the Vitim River, a tributary of the Lena. The production in 1921 was only 84 poods, an insignificant fraction of the pre-war production, but in 1922 rose to 278 poods and in 1923 to 473 poods. There are many mines in the Ural Mountains, where the largest Russian nugget was found, weighing 88 Russian pounds or about the weight of a small sack of potatoes.

*Silver.*—Very little silver was produced in the U.S.S.R. before the war, but in the war this increased, and in 1915 there were 1,100 poods and in 1916 950 poods. The present production is only a few tens of poods.

*Platinum.*—Russia was formerly the chief source of the world's platinum, producing 95 per cent. of all that mined. The only present source of supply is in the Ural Mountains, but deposits have been found during the last few years in Siberia at the mouth of the Yenisei River.

The pre-war production reached 400 poods, but in 1921 this had fallen to 12 poods, in 1922 risen to 42 poods and in 1923 to 72 poods. The largest nugget ever found weighed  $23\frac{1}{2}$  pounds.

## Other Metals

*Copper.*—Chief among other metals mined in Russia is copper, the output of which in 1913 approached that of Australia and Chili, equalled that of Canada and was superior to that of Germany. The richest deposits of copper are in the Ural Mountains, in the Caucasus and in the Asiatic Steppes. Despite Russia's important position as a copper-producing country, it was necessary to import copper before the war, but the amount and the proportion were decreasing. Thus in 1904 Russia produced over 500,000 poods of copper and imported 1,240,000 poods, while in 1913 Russia produced 2,048,000 poods and imported only 374,000 poods.

In the years 1919 to 1921 there was practically no produc-

tion of copper at all ; in 1922, 57,000 poods were obtained ; and in 1923, 100,000 poods.

### **Manganese Ore**

Great deposits of manganese exist in the Caucasus, and near Nikopol on the River Dnieper. Russia was formerly the chief source of manganese ore, which was produced in great quantity and exported largely to Germany. In 1913 more than 50,000,000 poods were obtained, but the figures for the succeeding years are only : 1921, 400,000 ; 1922, 2,400,000 ; and 1923, 4,000,000 poods.

### **Lead, Zinc and Tin**

All these metals were produced in Russia before the war, but in small quantities ; they were mostly imported.

### **Asbestos**

There are important deposits of asbestos in Siberia ; the production of sorted asbestos for 1922-23 was 300,000 poods, and that for 1923-24 was estimated at 500,0000 poods, or about 35 per cent. of the pre-war production.

Other mineral deposits of value include graphite, Glauber's salt, alabaster and marble.

### **Salt**

*Salt.*—Russia formerly occupied the third place in the list of countries producing salt. Three kinds of salt are obtained in the U.S.S.R. : (1) rock salt ; (2) salt from salt lakes ; (3) salt obtained by artificial evaporation of saline water.

*Rock Salt.*—The largest beds of rock salt are in the Don basin, which is the chief source of supply. In the Kirghiz Republic there are mountains of rock salt near the town of Iletsk, and there is also a mountain of rock salt about 3,000 feet high in Bokhara. In Transcaucasia and other parts of the U.S.S.R. there are layers of rock salt.

*Salt Lakes.*—Salt from this source of supply comes chiefly from two lakes in the Astrakhan Province, Baskunchak and Elton. It is also obtained from Saks Lake in the Crimea and in some other places in the U.S.S.R., such as the estuaries of rivers on the Black Sea and the Sea of Azov.



*Artificial Evaporation.*—This is chiefly obtained in the province of Perm. The production of salt in the U.S.S.R. before the war was 130,000,000 poods a year, but this was not sufficient to supply the internal market, partly because of difficulties of transport. 3,500,000 poods of salt were, in fact, imported.

During the revolutionary period the production fell in 1919 to 13,000,000 poods, but rose in 1920 to 35,000,000; 1921, 44,000,000; 1922, 48,000,000; and 1923, 63,000,000 poods.

### The State Organization of Industry

The Supreme Economic Council (V.S.N.K.) is the organ of the Soviet Government for the organization of State industry, for the general control and direction of all industry, and for the general supervision of the economic life of the Soviet Union of Republics. All trade and industry in the Soviet Union falls into one of four groups: State, Co-operative, small-scale industry (largely Peasant Craft or Koustar) and purely private industrial undertakings.

The Supreme Economic Council controls the most important industries directly; industries of lesser importance are controlled by its subordinate local departments, Industrial Bureaus (Prombureaus), or by Provincial Economic Councils (Sconar lez).

The Industrial Bureaus are economic organizations controlling great regions of Russia; the Provincial Economic Councils deal with the area of provinces (Gubernias), some of which are as large as England.

All of these organizations are not only concerned with the management of State industries, but are concerned with the general supervision of industry to secure that it functions in a way to benefit the State as a whole.

The Industrial Bureaus deal directly with the Supreme Economic Council; the Provincial Economic Councils must deal with the Industrial Bureau.

Some undertakings are considered as serving the whole of the U.S.S.R.; others concern only the R.S.F.S.R.; others, again, are purely local. Departments like the Commissariat of Transport and Communications carry on certain industrial productions; electric generating stations come under muni-

cial management; and there are certain minor exceptions to the general rule provided for in recent decrees.

The following is the list of undertakings in Russia coming under the grouping of State Economic Organization as given in *Ves*, S.S.S.R. (All-Russian Reference-Address Book, 1924-25. Moscow, 1924):—

#### STATE ECONOMIC ORGANIZATION

##### 1. *Military Industry.*

##### 2. *Metal Industry.*

- (a) (Southern Steel) United Administration of Petrovsk, Makefka, Yuzovsk. (Mines and Works N. of Crimea.)
- (b) Ural. Bogaslovsk, Ural Copper, South Ural and Perm.
- (c) Non-Ferrous Metals.
- (d) Gomsa. Union of Machine-making Works.
- (e) Leningrad Machine Trust.
- (f) Red-October (formerly Duma in Tsaritsyn).
- (g) Fokin district Works (formerly Maltzev)
- (h) Leningrad Shipping Trust.
- (i) Electro-Steel.
- (j) Truges (Motor Cars).
- (k) Military Supply Factories.
- (l) Leningrad Optical Factory.
- (m) Sewing Machine.
- (n) Southern Machine-Building Trust.

##### 3. *Mining:*

- (1) Gold and Platinum Trusts.
  - (a) Lena Gold.
  - (b) Ural Platinum.
- (2) Ores:
  - (a) Zinc and Lead (Caucasus).
  - (b) Precious Stones.

##### 4. *Fuel.*

- (1) Coal:
  - (a) Donetz basin.
  - (b) Moscow district.
  - (c) Kusnetz basin (Siberia).
  - (d) Cherembovsky basin (Irkutsk Province).
  - (e) Kizelovsk Mines.
  - (f) Tcheliabinsk Mines.
- (2) Naphtha:
  - (a) Union of Azneft.
  - (b) Grozneft.
  - (c) Embaneft.

##### 5. *Forest:*

- (a) Severoles (northern district of European Russia).
- (b) Petroles (Leningrad).

- (c) Dvinales (Basin of Western Dviner).
- (d) Veneer
- 6. *Chemical Products Industry* :
  - (1) India-rubber Trust.
  - (2) Bondjuskay Trust.
  - (3) Anilin Trust.
  - (4) Pharmaceutical Preparations Trust (Farina Trust).
  - (5) Cokso-benzol (Coal Products) Trust.
  - (6) Lako-Creska (Paints) Trust.
  - (7) Acetomethyl Trust.
  - (8) Santonin Trusts.
- 7. *Paper Industry* (Central Paper Trust).
- 8. *Textile Industry* :
  - (a) Cotton Textile :
    - (1) Vladimir-Alexandrov Trust.
    - (2) Moscow Trust.
    - (3) Presnensk Trust (in Moscow).
    - (4) Yaroslav Trust.
    - (5) Kavrovsky Trust.
    - (6) Serpuchovsky Trust.
    - (7) Yegorievsk-Ramensk Trust.
    - (8) Petro-Textile.
    - (9) Bogarotka-Schelkovsky.
    - (10) Ivanovo-Voznesensk.
    - (11) Areckovo-Zuevo Trust.
    - (12) Tver Trust.
    - (13) Government "Kard" Industry.
    - (14) Berdo-Remizn.
  - (b) Wool Textile :
    - (1) Simbírsk Trust.
    - (2) Tambov Trust.
    - (3) Penza Trust.
    - (4) Mosukno (Moscow Cloth Trust).
    - (5) Kamwolne Trust.
  - (c) Flax Textile :
    - (1) First Flax Administration.
    - (2) Vyasniky Trust.
    - (3) Yaroslav Trust.
    - (4) Autonomous Ralo Factory.
  - (d) Hemp Industry :
    - (1) Leningrad Hemp Trust.
  - (e) Silk Industry. The Silk Administration.
- 9. *Food-stuff Industry* :
  - (1) Sugar Trust.
  - (2) Tea Administration.
- 10. *Electro-Technical Industry* :
  - (1) Electro-Technical Trust.

- (2) Electro-machine Trust (Leningrad).
  - (3) All Russian Weak Current Apparatus.
  - (4) Union of Accumulator Work.
11. *Leather Industry* :
- Taganrog Leather Trust.

## TRUSTS UNDER ADMINISTRATION OF R.S.F.S.R.

*Metal Industry* :

- 1. Sevastopol Works.
- 2. Government Works of Cast Iron Smelting.
- 3. Northern Vyatka Mining District Works.
- 4. Trust of Exact Mechanics.
- 5. Vladimir Ilich Machine Building Factory.
- 6. Government Excavator Bureau.
- 7. Sarotov Etna Works.
- 8. The Sickle Works (Kosa).
- 9. Igeorsky Works.

*Forestry Industry* :

- 1. Volga-Oka Trust (formerly Mid-Volga Timber).
- 2. Volga Caspian Trust.
- 3. Upper Volga Trust.
- 4. Centro-Pro-Bizol Trust.
- 5. Bobbin Trust.
- 6. Vyatka-Votyak Trust.
- 7. Bashkir Trust.
- 8. Vologda Trust.
- 9. Dal Trust (Far Eastern Province).

*Mining Industry* :

- 1. Bas-sol Trust (Salt).
- 2. Ridderekibastoos.
- 3. Zolata-Ruda (Gold).

*Fuel Industry* :

- 1. Turf.
- 2. Central Administration Turf Trust.
- 3. Inflammable Schist Industry.

*Chemical Industry* :

- 1. Phosphato-tuk.
- 2. Severo-Smala (Resin and Gum).

*Silicate Industry* :

- (a) Central Porcelain Industry.
- (b) Gusevs Trust.
- (c) Cement Trust.
- (d) Borcombinat.
- (e) Sergevsk Glass Works.

*Leather Industry* :

- 1. Vyatka Leather Trust.
- 2. Kursk Leather Trust.

3. A. A. A. Leather Trust.
4. Galitch Works (Kostroma Gubernia).
- Polygraphic Industry* : Polygraph Trust.
- Textile Industry* : Klin Cloth Trust.
- Sewing Industry* : Experimental Technical Factory.
- Electro-Technical Industry* :  
Tula Union of Electric Stations.
- Food-stuffs Industry* :  
1. Northern Treacle Trust.  
2. Wine Trading Co. Ltd.
- Building Industry* : Government Building Trust.

State enterprises cover practically the whole field of Russian industry, but it is important to realize that they may be leased to private persons or limited companies or mixed companies. Limited companies are formed in a way similar to that prevailing in England and the methods of formation are governed by special clauses in the Civil Code, which will be found treated in the chapter on Law. Mixed companies are also limited liability companies, in which the State takes an active part, usually to the extent of 50 per cent. of the capital.

Another form in which private capital may participate in industry is by concessions.

State enterprises were very largely subsidized in the first two years of the New Economic Policy, but are now expected to stand on their own feet and pay their own way. The only industries due to receive subsidies during the year 1924-25 are the metal industries and agriculture. And it is hoped that shortly all the State Industries and undertakings will be self-supporting on a commercial basis.

### A Survey of the Development of State Enterprises since the Revolution

Taking the whole of the State Industry of the Union the years 1921-22, 1922-23, 1923-24 show a steady rise. The total production of 1923-24—that is, of the last three months of 1923 and the first nine months in 1924—was 42 per cent. of that of the large-scale industry of Russia before the world war.

The year of the greatest fall in industrial production was the last year of military Communism (1920), and compared with

this level the increase is very great indeed; even in comparison with the year 1922-23 it is an increase of 30 per cent.

The increase can be measured in number of workers employed, in increase of production per head of workers employed, and in the value of product at pre-war prices.

*Number of Workers.*—In 1921-22 the number of workers employed was under 1,000,000; in 1922-23 it was about 1,250,000; and 1923 to 1924 just below 1,400,000. The production per worker measured in gold roubles rose from about 800 roubles per year in 1921-22 to about 1,100 in 1923-24. The total value of production at pre-war prices in gold roubles rose from 800,000,000 roubles in 1921-22 to nearly 1,600,000,000 roubles in 1923-24.

When particular industries come to be dissected it is clear that progress has been even greater than these bulk figures indicate and I shall now give figures of some of the chief industries of Russia.

### Coal

The table below gives figures of the total output of coal in the U.S.S.R., and in the Don basin, the latter being the most important source of coal which is fully exploitable.

COAL INDUSTRY

	Output in million poods of all coal-mines.	Percentage of 1913.	Output in million poods of mines in Don basin.	Percentage of 1913.
1913 . . .	1,711	100	1,544	100
1918 . . .	700	41.3	541	35
1919 . . .	465	27.1	368	21.8
1920-21 . .	472	27.5	284	18.3
1921-22 . .	622	36.3	439	28.4
1922-23 . .	713	41.6	494	32
1923-24 . .	901	52.6	717	46.4

The results are not entirely seen in the figures, as in the Don basin mines great increases of efficiency have been brought about, thus the very high figure of consumption of coal for local needs on the mine has been reduced, in 1923-24 to 16

per cent. of the output with a corresponding increase of the net output. An even more important change, and one which will have a great bearing on the future of the industry, is that prices have been lowered to an extent that makes coal an effective competitor against wood on the home market as a fuel for general use. This change is a rapid one. In the last quarter of 1923 coal cost 9 per cent. more than wood in Russia, but by the quarter June to September, 1924, coal was reduced in price so much as to be 12 per cent. cheaper than wood.

The coal-mines of the Donetz basin give a very characteristic picture of the organization of Russian industry, both from the point of view of history since the revolution and from the point of view of economic structure.

The Don area suffered severely during the Civil War and its area was fought over on more than one occasion.

The area of the Donetz basin is about 400 square miles, being about 200 miles long and 100 miles broad. The coal industry is all under the Donetz Coal Trust, a Government organization, but about one-third of the mines are worked by private enterprise under leasing arrangements. The Coal Trust is made up of thirty-two working groups, each group being composed of from five to ten individual pits. Two recent visitors to the Donetz coal-field give the following description of the mines (Labour Research Department Monthly Circular, January, 1925) and of the organization of the workers employed there.

#### THE MINES

The mines and their method of working are not unlike that of "pitch" seams of West Wales. The gradient is very steep indeed. The coal is cut in the "top holes" and thrust into shoots and run into a tram on the "heading." A most remarkable feature was the good air and plentiful supply of timber—things most essential for the health and safety of a miner. The method of face timbering is particularly good—indeed, far superior to that of the mines of South Wales. On the whole, the technique is not as high as obtained in the mines of Great Britain, and this is not surprising. Owing to the plentiful supply of cheap labour, the French, Belgian and British capitalists who opened up the area originally found it cheaper to employ labour than to introduce machinery. The means at their (i.e. the Mines Trust) disposal as yet is not sufficient to remedy this. All their resources have been utilized in replacing the damage done by the

whites who flooded so many mines. In some of the pits, however, we found a very high standard of technique. In one pit called the "Soviet Pit," which has been reopened since the Civil War, we found an endless winder and also endless ropes underground, with the necessary double roads. It possesses an imposing pit-head of concrete. It is a piece of architecture. Then there are very fine offices and engine rooms. We found baths in a number of pits, although there are, as yet, not sufficient for every man. Great sacrifices are being made by the miners in order that they may be able to purchase the necessary machinery.

#### TRADE UNION ORGANIZATION

The Donetz basin Miners' Union is, of course, a part of the All-Russian Miners' Union, which embraces the whole of the extractive industries. It organizes the workers in the coal, iron ore, oil, salt, gold and platinum industries, and is in the real sense an Industrial Union. All the workers in and about the mines belong to the Miners' Union, irrespective of what may be their occupation. In some cases the miners are in other Unions, as is the case in the coking and chemical plant in Maycavka. In this village there is a coal-mine which is connected with this plant. Seeing that the predominant feature of the Trust is the production of coke and chemicals, all the workers connected with it are in the Chemical Workers' Union.

*Provincial Conference.*—The Provincial-Conference Institute of Delegates, representing as it does the whole of the Donetz basin, is the highest authority. Its decisions are binding on the Union. It meets once a month and reports on existing conditions. Representation is on the basis of one delegate for every 750 members. These Delegates are not paid.

*Presidium.*—The Provincial Conference elects the Presidium which is composed of nine members. This is the head of the Union. At the head-quarters of the Union there are two departments: (1) Tariff and Economic, and (2) Organization, and education and culture. There are two members of the Presidium in each department in addition to the chief of the department who is also a member of the Presidium. In the organization, education and culture department one of the members attends solely to the educational and cultural life of the workers. In the tariff and economic department there are four engineers. There are also auxiliary departments, such as the information bureau, statistical bureau, etc. In all there are 50 workers in two departments allocated as follows: 23 "responsible" workers, 17 technical staff and 10 service staff cleaners, doorkeepers, etc.

*Plenum.*—From the Presidium is elected the Plenum. This meets once a quarter, gives a report of the past quarter's work and discusses plans for the future quarter.

*Provincial Committee.*—A Provincial Committee is elected and is composed of 61 members and 14 substitutes, 14 of the members are



part-time workers and the remainder being members of the local Committee and branch chairman. In this 61 is included representatives of the engineers.

*District Organization.*—The workers in the districts also elect delegates at the rate of 1 for every 20. These delegates meet once a month. The delegates are elected every six months. They elect a Committee of 21, which meets once every three months. Included in this number are the chairmen and secretaries of Pit Committees.

*Branches.*—There are 32 branches or local Unions in the whole area which unite from 2,000 to 8,000 workers each. This local Union has from 6 to 10 of a staff for technical information and educational purposes.

*Pit Committees.*—There are 174 Pit Committees. These play a very important part in the life of the miners. The Committee possesses an office at the pit-head where it transacts its business. It comprises from 5 to 7 members. The chairman is full-time and if there are more than 1,000 workers in the pit then the secretary is also full-time. It is the Pit Committee which negotiates with the administration. It has to give a report of its activities to the workers.

*Industrial Nucleus.*—The most active workers are organized into an industrial nucleus, which meets to discuss various questions of difficulty which arise in a given area. They give periodical reports to the Pit Committee.

Here we have an organization which is extremely sensitive to the slightest move on the part of the workers. There is every opportunity for them to express their will and to control the industry. The test of its efficiency is to be found in the fact that when things were at their worst, during 1920-21, at a time when wages were only 15 per cent. of pre-war, the miners stuck to their work and remained loyal to the organization. They felt they were taking a real part in the control of affairs, and were sure that, given an opportunity, they could improve their industry and thus improve their standard. Meetings are continually being held to discuss methods of increasing production.

*Finance.*—Each worker pays 2 per cent. of his wages in dues to the Union. The management whether State or otherwise pay 2 per cent. of wages bill towards the upkeep of the Pit Committees. This is done in accordance with the Labour Laws. Of this 2 per cent. which the worker pays, the local Union sends 25 per cent. to the centre at Moscow, 10 per cent. to the district, 15 per cent. to expenses of its own administration, 25 per cent. for educational work, 5 per cent. unemployed, 5 per cent. strike pay (which is used for strikers abroad) and 2 per cent. international solidarity. About 90 per cent. of the workers pay 1 per cent. to the Mutual Aid Fund. They receive from this help in time of need. By this means they draw the less conscious workers into the Union. Of this amount the Mutual Aid pays 5 per cent. for international solidarity. Besides this there are voluntary contributions to such things as memorials, etc. We were shown a beautiful banner which was pre-

sent to the Union by the Seventh Congress of the Ukraine Communist Party for the assistance given by the miners during the famine. During the German crisis the miners gave a day's pay towards the maintenance of the German workers and again during the earthquake in Japan they did the same. The Curzon ultimatum caused wild scenes of enthusiasm. They organized demonstrations and cried, "Give us rifles!" They replied to the ultimatum by giving money for the building of an air fleet. Then there is the State Insurance, to which they do not contribute a single penny.

#### TRADE UNION MEMBERSHIP

Out of a total number of workers of 132,000, 123,000 are in the Union. The remainder are seasonal workers. Peasants come into the mines at certain parts of the year and then return to the land. They come and go, and this makes it difficult to organize them.

#### HOURS AND CONDITIONS

The coal hewers work only 6 hours a day. The other grades work 8 hours. They are employed for 18 days a month. The miners, like the workers in other industries, get a month's holiday with pay, which is spent in the most beautiful part of South Russia, such as the Caucasus, Crimea, etc. Boys under 18 are not allowed underground. Boys under 16 work only 4 to 6 hours a day. The Union rents 200 beds from a seaside company at the seaside where workers whose health is broken up are sent. Last year they sent 2,000 miners for a period of one and a half months, full pay being given during that time. Night work is allowed only where necessary. Every worker gets full pay during disablement through accident until cured.

#### WAGES

Wages differ in different coal-fields according to cost of living. The ability of the industry to pay is a factor taken into account by the miners themselves. They together with the manager fix wages. The wages in the Don basin range from 35 to 50 roubles a month. This does not give a clear picture of their real wages because of the numerous facilities which they enjoy. For instance in the Don basin the workers live in the houses rent free and also get electric light free in addition to other privileges.

#### EDUCATION

Vast strides are being made in the education of the miners. In the whole of the mining industry of U.S.S.R. there are now only about 25 per cent. of the people who are illiterate. A Resolution was passed last year at the conference of the All-Russian Miners' Union to the effect that by the time the Conference takes place in 1925 illiteracy will have been completely stamped out. In the Don basin last year 7,000,000 gold roubles were devoted to education alone. Of this amount 300,000 was contributed by the Union and 400,000 was collected from the miners. No less than 450 students were sent to the universities last

year. There are schools of all descriptions in every district. There are Party schools (i.e. Communist Party), full-time and otherwise, schools for preparing workers for the "Rabfaks" (Workers' Faculties), schools for teaching those who cannot read and write, seven-year schools for children kept by the Union, schools for training overseers and so on. Every town and village have their own clubs and parks. In the latter there are to be found buildings for concerts and dramatic performances. Every village has its dramatic society, painting school, orchestra and sports club. In the offices of the Miners' Union at Artiumsk there are two busts fashioned out of coal of Marx and Lenin. They are the work of a miner who when he did them could neither read nor write. We saw some very fine painting in the clubs which had been done by the miners. It will be seen from the above account of the activities of the Union that its sphere of operations extend to every phase of social and economic life. There is no part of the life of the people which is not touched by the Union. Even the Red Army is not outside its sphere of contract. The Don basin Miners' Union is sponsor to the 7th Armoured Car Division. The representative of the Union in Kharkov, the town in which the division is stationed, goes regularly to see them. The miners take a great interest in *their* division and give material assistance whenever possible. The organization of the miners is one which has sprung up in response to the needs of the time and is capable of any alteration or modification that may be necessary as time goes on. It allows for every expression of the will of the miners themselves, and with the increasing level of culture and education there is rising with it an increasing desire on the part of the miners to take an ever keener interest in their affairs.

### Oil Industry

A picture very similar to that of the coal industry is given by oil. The following table compares the production of 1913 with that of the revolutionary period :—

RUSSIAN OIL OUTPUT (In million poods)

Year.	Baku Fields.	Grozni Fields.	Total.
1913 . . . . .	467	73.7	553
1920-21 . . . . .	150	75.8	233
1921-22 . . . . .	184	85.7	284
1922-23 . . . . .	218	91.7	322
1923-24 . . . . .	253	99.0	360

On taking 1913 as the basic figure of 100 the improvement of the production of the industry is expressed as follows :—

## OIL OUTPUT IN RUSSIA AS PERCENTAGE OF 1913 OUTPUT

Year.	Baku Fields.	Grozni Fields.	Total.
1913 . . . . .	100	100	100
1920-21 . . . . .	32	102	43.9
1921-22 . . . . .	39	119	51.3
1922-23 . . . . .	46.6	124	58.2
1923-24 . . . . .	54.2	134	65.1

During the year 1923-24 the oil exports amounted to 712,000 tons as compared with 210,000 tons during the previous year (*Soviet Union Review*, January 17, 1925). 120,000 tons went to Italy, 200,000 tons to Great Britain, 100,000 tons to France and 6,000 tons to Greece. And according to Mr. G. I. Lomov, the President of the Soviet Naphtha Syndicate, the Soviet has made contracts for the sale abroad of over 1,000,000 tons of petroleum products, and expects to export during 1924-25 1,120,000 tons, a figure 49 per cent. in excess of the export in 1913. It is also expected to decrease the price of Russian oil by 20 per cent.

The increase of production was partly due to the good fortune of having struck oil, including gushers, during recent years, but partly to better management and better application of technical methods. Thus, electricity is now being very much used in the oil-fields, natural gas is being utilized as a fuel and better drills are being employed. The proportion of oil used locally has been considerably decreased and the price cut. Oil is still relatively more expensive than coal or wood, but the price reduction in 1923-24 was great.

Thus in the last quarter of 1923 oil was 38 per cent. dearer than wood, but in the quarter June to September, 1924, it was only 17 per cent. dearer than wood. Owing to the general slowing down of Russian industry, the present production cannot be consumed by Russia herself; hence, on the one hand, the policy of developing exports and, on the other, a policy of price-cutting to stimulate the use of oil in home industry.

### The Metal Industry

The production of the heavy metal industry made its first serious move in 1923-24. In 1918 over 20,000,000 poods of cast-iron were smelted in Russia, but in 1919, 1920-21 only about 7,000,000 poods in each year. In 1921-22 the amount rose to 10,000,000 poods; in 1922-23 to about 18,000,000 poods; but in 1923-24 the amount exceeded that of 1918 and reached 40,000,000 poods.

But progress is being made in other ways also. Up to 1923-24 the industry lived on old stocks of ore, now new ore is being mined and more furnaces are being set at work.

Another important change is that whereas during the period of depression of the iron industries the production of the Ural region became relatively more important than that of the Ukraine, the centre of gravity of the industry is now being shifted back to the Ukraine, where all the economic conditions of the industry make it advantageous that it should remain.

Seven blast furnaces were restarted during the year 1923-24, and the manufacture of metal goods increased  $1\frac{1}{2}$  times. The amount of manufactures is still low, however, being only 26.7 per cent of the pre-war, but it is moving upwards at a more rapid rate.

As might be expected, the improvement in production is more marked in the light than in the heavy branches of the industry. The demand for cotton, wool and flax spinning machinery is greater than the supply.

The production of Marten-ite and rolled iron is shown in the table below:—

PRODUCTION OF IRON IN USSR.

	1922-23	1923-24	1923-24 production as percentage of pre-war
	Poods	Poods	
Marten-ite . . . . .	36,353,000	60,793,000	24 per cent.
Roller metal . . . . .	23,162,000	41,650,000	19 per cent.

The increase in the metal industries is thus much less than that in the fuel industries, but it is a move in the same direc-

tion, and a move the pace of which is accelerating. The following table shows how the present compares with 1913, and how the smelting of cast-iron has varied during the revolutionary period :—

RUSSIAN PRODUCTION OF CAST-IRON  
(Cast-iron smelted in thousand poods)

Year.	Production.	Production as percentage of 1913.
1913 . . . . .	256,300	100
1918 . . . . .	31,500	12.2
1919 . . . . .	6,900	2.6
1920 . . . . .	7,060	2.7
1921-22 . . . . .	10,475	3.9
1922-23 . . . . .	18,333	7.1
1923-24 :		
First half year . . . . .	17,989	15.5
Second half year . . . . .	22,015	

Thus not only is the production of 1923-24 more than double that of the previous year, but the acceleration of production, as shown by comparison of the first and second half-years, gives prospect of an even greater production in 1924-25.

### Cotton Textile Industry

The progress of this industry since 1922-23 has been very considerable. Demand outruns supply. The following table shows the position in the first nine months of 1924—that is, the end of the 1923-24 period :—

PRODUCTION AND SALE OF COTTON TEXTILE GOODS IN RUSSIA IN 1924  
(JANUARY TO SEPTEMBER). (In 1,000 metres)

	Production.	Sale.	Percentage relation of Sale to Production.
1st Quarter . . . . .	178,713	123,693	69
2nd " . . . . .	194,764	217,422	112
3rd " . . . . .	220,717	233,000	105.4

And this position has been reached despite a great rise in productivity, not only since the previous year, over which the increase is 42 per cent., but continuously since 1921.

Thus the production of yarn in 1921 amounted to about 1.25 million poods; by 1922-23 it was rising from 4,000,000 to 5,000,000 poods during the year; and by 1923-24 it exceeded 6,000,000 poods. The production of cotton piece goods in 1921 was about 250,000,000 arshines; during 1922-23 it rose from 550,000,000 arshines at the beginning of the year to 1,000 arshines at the end; and in 1923-24 it has continued steadily upwards.

The curve of production of flax and woollen goods has risen more slowly, the manufacture of flax goods and of woollen goods being only slightly developed by 1923-24.

If we compare the production of cotton textile fabrics in the years 1922-23 and 1923-24 the rate of increase becomes even more obvious.

PRODUCTION OF COTTON TEXTILE FABRICS IN RUSSIA  
(In 1,000 metres)

	1922-23.	1923-24.
1st Quarter . . . . .	139,471	178,713
2nd    "   . . . . .	151,565	194,764
3rd    "   . . . . .	155,597	220,717
4th    "   . . . . .	134,795	234,262
TOTAL . . . . .	581,428	828,456

Other industries, however, do not show such a marked increase.

In 1923-24 the production of glass wares, of tobacco, of leather and of the inferior kind of tobacco called Mahourka, while they increased, did so at a much slower rate.

The production of galoshes actually decreased, a fact explained as due to unfavourable local circumstances.

The electro-technical industry in 1923-24 was up to 58 per cent. of its pre-war productivity.

But an even more important fact than this chronicle of figures of production is the fact that whereas industries were formerly subsidized, and some very heavily indeed, all industries and undertakings of a commercial character are now standing on their own feet with two exceptions. The industries receiving subsidies in 1924, and due to receive them during 1925, are the coal and iron industries.

The general tendency of the year 1923-24 has been toward lower prices and increased production. The income derived from State industry on October 1, 1924, according to the data of the Supreme Economic Council, amounted to 77,000,000 gold roubles. It is significant that two-thirds of the income came from the textile industries, where the increase of production has been greatest and the reduction of prices greatest.

Another tendency which has been marked during the year is that of the decentralization of sale and distribution. The system of combining allied undertakings into Trusts continues, but the sales organization tends to produce numerous provincial branches and to employ a considerable body of commercial travellers.

Another aspect of the same tendency toward decentralization is the greater independence of localities as far as their own industries are concerned. At the period of maximum intensity of military Communism everything came from the centre, but now only certain industries are centrally controlled as regards Government control; others are left to the local organs of the State machinery, the local representatives of the Supreme Economic Council. And during 1923-24 there has been a great livening of local industry and a marked tendency to rely on the use of local resources and local capital. Profits are being made and capital is being accumulated. Thus in September, 1923, there was in the Industrial Bank 15.4 million roubles to the account of industry. In September, 1924, the amount had increased to 48.0 million. The Discount-Loan operations of the same bank and over the same period grew from 30,000,000 to 89,000,000 roubles, and the average balance in the Bank for the yearly period has doubled.



### Raw Material

Reviewing the industries of Russia as a whole, it is thought that supplies of raw material are now reasonably secure. Cotton cultivation is still backward, but the sowing area in 1924 amounted to 60 per cent. of the amount of the pre-war sowing, and this is a great attainment when it is considered how recently, in time of famine, the cotton-growing lands had to be used for the production of food.

Soviet economists now feel that the problem of inducing the peasant to cultivate the land and produce crops required for industry is solved.

The question that remains, and that is not yet solved, is that of the financing of Industry.

### Organization of Sale

The solution, or part of the solution, of the financing of industry is being sought in the better organization of sales, the machinery for which has been extensively decentralized. Thus the Textile Syndicate has increased the number of its branches from 29 to 69, and it takes an active part in the Fairs so characteristic of Russia's life. The Prod (Foodstuffs) Syndicate has increased its branches from 10 to 15. The India-rubber Trust has increased its branches from 22 to 40, and a similar tendency is seen throughout industry.

Large-scale industry sells, of course, wholesale, and the largest buyers are the Co-operative Societies, private capitalists taking second rank.

During 1923-24 sales were much stimulated by price reductions, made possible partly by drastic reorganization and partly by a deliberate policy of working to a lower average profit. The average reduction of prices during the year amounted to 25 per cent., but the process is slowing down. During the last month of the financial year (September, 1924) the reduction in prices amounted only to between 1.1 and 1.2 per cent. according to the index figures of Gosplan (the State Trading Department).

### Efficiency Campaign

During the year the method of organization of Industry has been passed under review by the Supreme Economic Council,

and out of 238 Trusts or enterprises of similar standing it has only been found necessary to make changes or to bring about liquidation in twenty-five cases.

Inside the Trusts themselves the tendency has been to decrease the number of factories working and increase the load of those continuing. Factories or plants thus thrown out of use are made available for Co-operative Societies or private capitalists. It has not, however, been possible to carry out this policy in the heavy metal industries, as they are not yet sufficiently revived.

A further stage of organization contemplated, but not yet put into operation, is the organization of industries on a "rational" plan, in accordance with the Economic geography of Russia. It is hoped in this way to eventually make great economies in production. A State controlling industry as Russia does can theoretically change the organization of its system of production according to any plan it lays down, and it will be interesting to see whether Russia will, in practice, be able to accomplish such a reorganization as will give her the maximum efficiency on Trust lines. There is a great similarity between the ideas of the American Trust organizers and the Russian Trust organizers, and a largely producing Trustified Russia run for the benefit of the State and not for private profit would be a very interesting phenomenon.

Following along the lines of Trust organization, Russia is trying to help lower prices, not only by improved business and economic organization with regard to raw materials and distributing agencies, but by increasing the productivity of labour by scientific management. The Russian Government is indeed driven to take steps which will improve efficiency, because it is competing with private industry and with co-operative industry and also with foreign imports, and because, according to statements of its own spokesmen, it has not got the whole market in its hands and the prices of manufactures are still too high for the peasants.

Soviet economists now recognize the financial problem of the supply of capital as being of first-rate importance. The flow of capital into industry in Russia can come from only three sources. Income accumulated as a result of profits made

on sales is limited by limits of productivity and limits of power of absorption by the market. State subsidies are limited by lack of funds in the hands of the Government owing to the general low level of prosperity in the Union, making the raising of a large State income impossible without crippling citizens, and thus by injuring their purchasing power and defeating the object of the subsidy. Foreign loans remain, therefore, as the great desideratum, and indeed the only rapid way of inducing the rebuilding of Russian industry. There is, of course, nothing new in the investment of foreign capital in Russian industry. It remains to be seen whether capitalists will be willing to do so under existing circumstances. Mr. J. M. Keynes estimates that in the twenty-five years before the war Western Europe advanced to Russia a sum estimated at between 1,000,000,000 and 1,500,000,000 sterling—that is, roughly, £10 per head of the population. Out of this many of the railways were built, ports developed and modern industries established. And, as Mr. Keynes says, in return Russia, after feeding herself, furnished a quarter of the exportable wheat surplus of the world. In so much stressing the necessity of loans at the present time the Soviet economists are therefore only following in the steps of their predecessors in private and Government enterprise. Loans indeed are essential to Russia, for whom the building up of capital reserves out of industry is not likely to be able to keep pace with the normal increase of population or in any case is not likely to be able to maintain a reasonably high standard of life, so far at least as the consumption of manufactured commodities is concerned, without the use of foreign capital.

But Soviet economists are under no delusions. They realize quite clearly the difficulty<sup>a</sup> of attracting foreign capital to Russia except by means of concessions and to a less degree of leased enterprises. But there is always the possibility of a Government in Western Europe being politically far-seeing enough to realize the general advantage to be derived from a Russian loan and proposing to help float it as did the British Labour Government in 1924.

<sup>a</sup> Soviet economists, however, are for the time being turning their attention to the possibilities of redistribution of existing

capital among the separate Trusts. Capital at present is very unequally distributed and without special relation to the needs of the country. Something can of course be done by this means.

Another problem which is being tackled is the stripping of industry of its obsolete or deteriorated property and, in certain cases, of accumulations of stock. Here the problem is partly one of minimizing the formalities and simplifying the procedure with which the Russian Soviet Government has surrounded itself, so as to allow of the easy and unhampered disposal of such assets to private firms and to Co-operative Societies.

As a result of the experience of the increased production and trade of 1923-24 the Government will endeavour to strengthen the position of the Industrial Bank and use it more and more to influence the policy guiding industry. 1923-24 was the first year of this Bank, and the results are more favourable than anticipated. Further, in order to secure the position of Government industry, the State will continue to actively support free co-operative enterprise as the medium of distribution.

The growth of co-operation in the last year is very remarkable. 1918 was the climax of co-operative activity before it became absorbed in the Government Co-operation and acted as a Government organ or department. That policy has now been reviewed and co-operation is now free again. The figures below speak for themselves.

SALES OF CONSUMERS' CO-OPERATIVE SOCIETIES IN RUSSIA  
(In gold roubles)

1918 . . (Autonomous Co-operative Societies) . . .	700,000,000
1922-23 (State Co-operative Organization) . . .	434,000,000
1923-24 (Autonomous Co-operative Societies) . . .	1,100,000,000

This means that, in 1922-23 the Consumers' Co-operative Societies supplied 15 per cent. of the internal market. But in the year 1923-24 the Co-operatives supplied 30 per cent. of the expanded market and with active Government support and active spread of organization amongst the peasants there is every reason to anticipate further rise still.

### The Future of Russian Industry

It is clear, from the short review of the conditions of Russian industry that we have given, that in this department of the national life Russia is rapidly approaching the normal. It is also clear that without a great increase in the purchasing power of the Russian home market Russian industry will not be able to expand at any very rapid rate even under the most favourable circumstances. But it must always be remembered that what Russian export of manufactured goods existed before the war was chiefly an export eastward and not westward. To England the expansion of Empire has always meant going overseas. To Russia before the war expansion of Empire meant opening up new ground in Siberia or in Trans-Caucasia. And to the east of the frontier of European Russia, to the east we may say of the Urals, a process of colonial expansion has been going on for many years. The policy of the Soviet Union seems likely to increase the rapidity of this expansion by the deliberate opening up of new mineral resources to exploitation and the opening up of new means of exploiting the untouched forest wealth of Siberia. And to these considerations one must add others. The cultural policy of Russia, the endeavour to stamp out illiteracy and superstition coincides with a general world movement of all backward peoples towards a higher standard of education and a nearer approximation to the modes of life and thought of Western Europe. This policy and these movements must have as one effect a stimulation of the demands for manufactured goods made by the peoples of Central Asia, Siberia and the East, and these demands Russia is in a peculiarly favourable position to be able to satisfy. The exploitation of Saghalien recently arranged by the Treaty of the Soviet Union and Japan and the possible opening up of big areas in Siberia by new concessions will inevitably tend to create new demands and to open up new markets for Russian products. It is to be expected, therefore, that Russian commerce will press steadily into regions at present only very little in contact with the West and open up new markets there. If the Russian colonial expansion in Siberia and Central Asia is successful, the market created should be of considerable assistance to Russian in-

dustry. It is, of course, a market preserved to the products of Russian industry by the monopoly of large-scale production enjoyed by the Government and by the nature of the close economic co-operation between all the States entering into the Soviet Union. But, further, the enormous extent of Russia's frontier with Eastern countries outside the Union gives her a great advantage in dealing with many Eastern countries and particularly those of the Near and Middle East.

These considerations are reinforced by some from the purely political sphere. Turkey is not likely to forget that Soviet Russia was her friend at a time when all the Western nations were against her. Persia is so near to Russia and so easily and cheaply approached across the Caspian Sea as to give Russian commerce a very great advantage. With other Eastern countries the advantages are not so great, but the policy of improving transport and especially railway communications in the Soviet Union, will certainly help Russia to keep her place in China and the East generally. It should not be forgotten that the quickest and cheapest way for a passenger to reach Peking from London, Paris or Berlin is via Moscow and the Trans-Siberian railway. And Russia touches the East at so many points that she has the great advantage of knowledge and familiarity with conditions such as are possessed in a somewhat analogous case by Great Britain in her trade with the Overseas Dominions. There may not be the same link of political and social sympathy between Russia and the East as between Great Britain and the Dominions, but there is at least not the same antagonism as exists between Russia and Western Europe. In fact, one doubts whether the Soviet system is any stranger to the man from China than is the confused industrial system of the manufacturing area of Great Britain or Germany. For all of these reasons it would appear that Russia will have an expanding market in the East for her manufactures, whatever happens in the West. Agriculture, too, is improving in Russia, despite the set-backs of bad harvests, and with greater export of cereals Russia will be able to purchase the machinery, particularly agricultural machinery, of which she stands most in need. With a more intense exploitation of raw materials Russia will once again become a great

## THE NEW RUSSIA

exporter of timber and of the ores, such as manganese, of which she has such a large share. And, further, the development of the Russian oil industry seems to promise a great export there. Even with diminished harvests great exports of raw materials or of oil might do more than balance the deficiency.

And we may therefore prophesy confidently that it will not be many years before Russia will be able to get the capital from abroad which she requires to borrow to finance extensions of her industry, improvements in agriculture and extensions and improvements of railways and communications.

With capital so borrowed the ambitious project of the industrialization of the Soviet Union may begin to be realized. It will indeed be long before Russia becomes a great industrial country, but it may be only a few years before Russia supplies all her own needs in manufactured products and begins to export. At first to the East and later to the world in general.

How much of Russia's present State organization of Industry will remain under these conditions remains to be seen. But it should be remembered that if Russia is moving away from extreme Communism to State control and State supervision, Western Europe generally is moving away from extreme individualism towards State control and State supervision.

In any case it is clear that Russian industry is well on the road to complete recovery, that it has been built up again on a new basis from a completeness of destruction hardly to be realized. Nor should it be forgotten that the Russian people who have worked this miracle of recovery have set before themselves a still higher peak of attainment in the plan of the industrialization of the Republic. That the capacity of economic leadership exists in Russia is already demonstrated. The problem of the immediate future is that of the political control of the State and its reactions on industry. For with increasing prosperity and the return to a higher standard of life will come, inevitably, a greater activity of political life. On the nature of that political activity and the wisdom with which its manifestations are met by the ruling powers in the State will depend the future of Russian Industry once it has realized the normal of the pre-war epoch.

## CHAPTER IX

### Transport

THE question of ways and communications is very important in all countries, but in Russia it is of particular importance, because without good transport and good communications many questions are practically insoluble. And transport and communications are not good now and never were good in the pre-war era.

That Russia is essentially a new country is nowhere more clearly seen than in the picture of her vast undeveloped resources necessitating transport as a pre-requisite of their effective exploitation.

Gold-mining is expensive and very difficult for lack of transport. Coal has to be imported into a country extremely rich in coal, because transport arrangements are defective. Food is dear in Moscow and cheap in Siberia because of lack of transport. Great oil accumulations exist which cannot be utilized because of lack of transport.

Indeed, the picture of Russia as a peasant State, with only her peasant-craft industries (*koustar*) really developed, and her big-scale industry only beginning, is dominated by the deficiency of her transport system.

The fact that the transport system is so little developed is a chief reason why the vast coal resources of Siberia are unworked, and why the iron of the Urals is only partly worked, and it is a contributory factor of great importance in the condition of arrested development of the social conditions of the Russian people as a whole.

Railways are few, roadways are mere tracks and indications rather than made roads and unusable unless either quite dry or frozen hard. The seasons of mud and slush or thaw



## THE NEW RUSSIA

and rain are seasons when any but light transport cannot move in many parts of the Soviet Union.

The most important place in the transport system is taken by the great rivers of European Russia, and in particular the Volga, but this opens into an inland sea, the Caspian, and the rivers of Asiatic Russia, the Ob, the Yenisei and the Lena, run into the Arctic Ocean, which is only open to navigation for two months out of the twelve, and is not safe or secure even then.

The development of telegraph and telephone has gradually extended, inter-town communication by telephone is extending now—and is important as regulating and stabilizing prices on the internal market—but it is far behind that of Western Europe. Wireless communications are being used, but its use is practically confined to inter-continental communications.

The newest mode of travel, that by the air, is developed in the form of a thin thread of services which connect—three times a week—Germany and Moscow and is used internally in Russia to link up the capital with Kharkov in the Ukraine, Tiflis in Georgia and some few other places. But the total number of passengers carried is only a handful, although important from the standpoint of diplomacy and of big business.

Even the famines to which the fluctuating yields of the harvests give rise, could sometimes be minimized in their severity were the transport system improved.

Until the potential wealth of Russia can circulate freely and become real wealth the Russian problems can only be very partially solved.

## RAILWAY TRANSPORT

The length of railway line in use on January 1, 1914, was 42,864 versts of both broad-gauge and narrow-gauge lines. The Government owned 43,760 versts of this and private companies 19,104 versts.

The building of railways, broad gauge and narrow gauge, continued during the World War and the civil war and an enormous amount of repair and reconstruction work was done in the civil war. The civil war was waged over a territory

which included 54,000 versts of railway line, and of this 2,000 versts were destroyed, with numerous railway stations, bridges—such as bridges over the Volga—and much rolling stock.

The following table gives details of length of railway lines operated from 1913 to 1923 :—

LENGTH OF RAILWAY LINE OPERATED FOR GENERAL USE IN VERSTS

	1913.	1920-21.	1921-22.	1922-23.
Broad gauge . . .	61,259	61,436	63,515	63,838
Narrow gauge . . .	2,490	1,817	1,567	1,435
TOTALS . .	63,749	63,303	65,082	65,273

Thus the actual increase in mileage of about 1,400 versts is considerable and is made up of an increase of over 2,600 versts of broad-gauge and a decrease of narrow-gauge track. It must also be remembered that the figures for 1913 apply to pre-revolutionary Russia with its more extended frontiers, while the figures for 1922-23 exclude the important Western frontier States and the other areas separated from the Soviet Union.

### Rolling Stock

*Locomotives.*—The decrease in locomotive engines is a serious aspect of the Russian transport question. The following table gives actual numbers :—

TOTAL NUMBER OF LOCOMOTIVES IN RUSSIA

1913 . . . . .	20,320
1914 . . . . .	23,320
1915 . . . . .	20,000
1916 . . . . .	19,900
1917 . . . . .	20,400
1918 . . . . .	A diminution from 20,000 at the beginning to 9,000 at the end of the year.
1919 . . . . .	9,000
1920 . . . . .	17,800
1921 . . . . .	18,700
1922, November . . . . .	19,383
1923, October . . . . .	20,210

## THE NEW RUSSIA

But this table needs to be corrected by another as follows (Central Committee on Railway Statistics, Moscow, October, 1923):—

	(1) Total number of Locomotives.	(2) Usable.	(3) Needing repair.
1913 . . . . .	20,320	19,840	3,418
1920-21 . . . . .	18,757	18,275	10,932
1921-22 . . . . .	19,067	18,530	11,755
1922-23 . . . . .	19,535	18,954	11,027

Thus, whereas the proportion of railway engines in repair in 1913 amounted to about 16 per cent., in the following periods it reached 58 per cent., 60 per cent., and 56 per cent.

The reason for the big rise is that during the earlier part of the revolution and civil war any repair was a matter of the utmost difficulty; the works were largely out of action, and owing to the economic blockade Russia could not purchase abroad. The 1923 figures include about 600 locomotive engines purchased abroad, of which 592 were purchased up to September 1, 1922.

While, therefore, the number of locomotives carried in the works in 1923 is not seriously below the 1913 figure, the number effectively working was only about one-half.

This means, of course, the rigid cutting down of services both for goods and passengers in a country already short of adequate railway transport from a Western European point of view.

*Wagons.*—The pre-war figure for goods wagons was more than 500,000, of which 92 per cent. were in use,  $5\frac{1}{2}$  per cent. being under repair and about  $2\frac{1}{2}$  per cent. were immobilized and used as store offices or temporary dwellings for staff.

According to the data of October, 1923, the total number of food wagons then reached 430,000, of which, however, only 300,000 were in use or usable and 130,000 under repair. In 1922-23 there was a "repair push" to prepare for the corn-exporting season.

*Passenger Coaches.*—In 1913 there were 30,324 passenger

coaches and in October, 1923, there were 29,353. Of these 16,738 were under repair and about 11,000 were in use. The remainder were in use as stores and temporary dwellings. Among the passenger coaches in good repair are those formerly belonging to the International Sleeping Car Company, so that present-day travel in Russia for those who can afford to pay the price is quite comfortable. Travel on ordinary trains is not uncomfortable and is now very rigidly supervised as to cleanliness.

### The Fuel Question

Part of the difficulty in operating Russian railways during the earlier years of the revolution lay in the difficulty in obtaining supplies of coal and of naphtha for burning. Many railway engines burn naphtha in Russia, and if these were to be used for wood they would have to be partly reconstructed.

The following table shows the amounts of wood, coal and naphtha used in the years indicated:—

#### FUEL CONSUMPTION ON RUSSIAN RAILWAYS

	1913.	1920-21.	1921-22.	1922-23.
Total expenditure of fuel calculated in equivalents of 1,000 cubic sazhens . . . . .	7,242	4,472	4,253	4,466

#### PERCENTAGE OF FUELS USED ON RUSSIAN RAILWAYS

Fuel.	1913.	1920-21.	1921-22.	1922-23.
Wood . . . . .	13.0	48.5	37.3	36.3
Coal . . . . .	65.2	27.4	29.0	34.8
Naphtha . . . . .	21.7	23.5	32.2	28.4

It will be noticed that the consumption of oil is now greater than before the war, as it is a part of the policy of the transport administration to use oil as far as possible. But wood is still used about three times as much as in 1913 and coal only to about half the extent.

### Reserves of Fuel

In 1922 the reserves of fuel on the railways were very low. An interruption of transport of fuel, as, for instance, by a snowstorm, was liable to upset and hold up trains with freight of the most urgently important character. In 1923, however, the fuel reserve increased by  $2\frac{1}{2}$  times—wood over three times, coal about  $2\frac{3}{4}$  times.

### Freight and Passengers Carried

Under conditions such as those already depicted, it is clear that there must have been a diminution of railway traffic, and some idea of this diminution is given by the following table ;—

	1913.	1920-21.	1921-22.	1922-23.
Freight carried in 1,000,000 poods . . . . .	9,581	2,404	2,437	3,526.
Percentage of 1913 amount	100	25.1	25.4	36.8
Passengers in thousands .	246,732	95,777	89,934	112,971
Percentage of 1913 number	100	38	36.4	45

These are gross figures and do not give a complete figure, as they are not calculated according to mileage, but probably give a fairly accurate general view, as the reduction in freight, and in numbers of passengers is roughly in the same proportion as is shown by the reduction of locomotives.

### Railway Employees

Another factor which has contributed to the improved efficiency of the railways has been the drastic reduction in staff, as compared with 1920, combined with an improvement in technical qualifications and the enforcement of a rigid discipline.

The number of railway employees in 1913 amounted to 815,000, but in 1920-21 this had risen to 1,177,000 and in some branches of the service the increase in numbers amounted

to seven or more times that of the pre-war figure. A change began in 1920, but when in 1921 the Communist system was abolished in favour of that by which the railways had to pay its own expenses out of its own receipts a drastic reduction was clearly required. In 1921-22 the staff had decreased to 835,824 persons and in the following year to 720,798, a figure lower than that for the pre-war year of 1913.

In order that the efficiency of those employed should be increased and that the standard of knowledge of new employees should be sufficiently high, the transport service has instituted special technical and evening school instruction. In 1923 there were 36 institutions giving special technical education in connection with transport, 32 evening technical establishments and other training establishments and courses of instruction to the number of 76.

### Railway Finance

Up to the time of the initiation of the New Economic Policy in 1921 no figures of the finance of railways are available. Transport up to that time was regarded as a communal service debited to the community as a whole.

The first year for which figures can be given with accuracy is that of 1922-23, during which period the income of the railways amounted to over 400,000,000 Tchervonetz roubles (or a gold basis) and the deficit, made up by a subsidy from the Government, to about 80,000,000 Tchervonetz roubles.

In June, 1923, the income of the railways was in excess of the expenditure; in the months of July, August and September, 1923, there was a deficit of about 10 per cent.

The expenditure of the railways for 1923-24 was calculated at 570,652,148 Tchervonetz roubles, and was expected to be covered by the receipts.

But of course it must be remembered that the service given by the railways is restricted, that the amount of repair work required is far above the normal and that the amount required for replacements involves heavy capital charges. The further development of railway transport is therefore faced with a very serious financial problem.

## Roads

Roads are very poorly developed in Russia, and their administration used to be a local affair, the authorities not always acting in concert.

The Soviet Government has now made the road administration a department of the Commissariat of Railway Communications, and this road department is charged with building of new roads and repair of old roads. It is also charged with the responsibility of maintaining certain motor-car services, of which a notable example is that over the passes of the Caucasus, connecting Russia north of the range with Tiflis and the Trans-Caucasian region generally.

The relative development of roads in certain European countries is shown in the following table :—

LENGTH OF ROADS IN KILOMETRES PER SQUARE KILOMETRES OF AREA  
IN 1920

France . . . .	1 kilometre to each	·95 square kilometre
England . . . .	1 " "	1·23 " kilometres
Germany . . . .	1 " "	2·05 " "
Italy . . . .	1 " "	3·48 " "
Sweden . . . .	1 " "	7·75 " "
European Russia . .	1 " "	170 5 " "

Roads in Russia are thus very infrequently seen in the countryside, where most of the transport takes place over ground as Nature made it.

Roads in Russia are classified as made roads and common roads. Made roads are comparable with ordinary European roads and common roads with bad European roads. But even the main made roads are in a bad state. The roads out of Moscow, for example, would raise a storm of protest in any country town in England.

On October 1, 1921, the total length of made roads in 37 provinces of European Russia was 13,826 versts and common roads 111,318 versts. The condition of these roads pre-war was never very good, and during the war and the civil war they naturally deteriorated, owing to their relatively greater use because of the deficiencies of the railways and the disorganization of water transport. Among other things part of the Volga was held for a long period by invading armies.

Also during these disturbed periods the repair of the roads was not adequately carried on.

It is significant of the importance the Soviet Government attaches to roads that, although the Transport organization only asked for a sum of about 2,500,000 Tchervonetz roubles for 1923-24, the Government increased this to over 3,700,000 Tchervonetz roubles.

### INTERNAL WATER TRANSPORT

The great natural waterways of European Russia have played a great part in Russian history and in Russian national life. The Volga is the greatest river in Europe and is the great connecting link between north and south, as it rises in the Valdai Hills and discharges into the Caspian Sea.

Canal links have been built in past years which connect the Neva of Leningrad, running into the Gulf of Finland, with the Volga, and it is possible to voyage continuously from the Baltic to the Caspian.

The navigable rivers of the Soviet Union in Europe and Asia were calculated in 1923 to have a total extent of 249,687 versts, of which 40,000 versts were served by the Government Internal Water Transport Fleet. Privately owned ships traded on these waters as well as Government ships over a total length of 83,560 versts. Another 166,127 versts of river in the Soviet Union were only used for the water-carriage of timber from the forests. A great deal of dredging was done in 1923, 774,000 cubic sazhen of soil being removed from river channels. Canals connecting rivers added another 3,736 versts.

In 1922 a length of 29,299 versts was buoyed for navigation and 16,267 versts showed lights at night. In 1923 this had diminished to 24,057 versts buoyed and 11,790 versts lighted, the diminution being partly a question of lack of money and partly a question of concentration on important waterways.

### Nationalized and Privately Owned Ships

The shipping and property of the big shipowners was nationalized by a decree of January 5, 1918, only the property of small traders being left in private hands, but at a later



date 336 small steamers with 15,812 indicated horse-power and 503 sailing ships or barges were returned to their former owners, and 105 steamers of 10,818 indicated horse-power and 1,115 other vessels (not steamships) were transferred to various Industrial Unions.

As the result of these measures the Commissariat of Transport in 1923 controlled 3,623 steamships of 723,453 indicated horse-power and 7,687 other vessels (not steamships) with a tonnage capacity of 337,843,000 poods. Of the steamships only about 50 per cent. were in working order and of the other vessels about 44 per cent. About 17 per cent. of the steamers were considered as reserve and about 11 per cent. of the other vessels. Reserve ships were those needing only comparatively small repairs to put them into working condition.

THE DISTRIBUTION OF THE STATE INTERNAL WATER TRANSPORT FLEET  
IS SHOWN IN THE TABLE BELOW

	Number.	Horse-power.
Total steamships . . . . .	3,623	723,453
Working . . . . .	1,819	435,554
Reserve . . . . .	638	138,624
Laid up . . . . .	1,166	149,275

	Number.	Cargo capacity in 1,000 poods.
Total other vessels (not steamships) . . . . .	7,687	337,842
Working . . . . .	3,397	177,501
Reserve . . . . .	875	30,855
Laid up . . . . .	3,415	120,486

The third group of laid-up ships in the foregoing table is practically equivalent to scrapped ships.

The fleet so constituted works on the Volga and the internal waterways of European Russia and also on the Aral Sea, the Amu-Darya (Bokhara and Khiva) and the River Amur.

### Cargo and Passengers

The table given below shows the comparative figures for the transport of cargo and passengers from 1913 to 1923. It is probable, however, that the figures for 1913 are understated and the relative decline is greater than appears :—

CARGO AND PASSENGERS TRANSPORT ON INTERNAL WATERWAYS OF RUSSIA

	1913.	Per cent. of 1913.	Per cent. in 1921.	Per cent. in 1922.	Per cent. in 1923.
Cargo in 1,000 poods	2,750,600	100	27	24	22
Pood-versts in mil- lions . . . .	2,020,057	100	26	26	23
Passengers (numbers)	11,041,321		5,454,000	4,911,000	8,218,356

The disorganization of water transport is thus seen to be greater than that of the railways, which is partly to be accounted for by the fact that the Government Internal Water Transport Service is a new fleet, whereas the railways were largely under Government management before the war, but even more largely to the fact that the eastern waters and much of the Volga were cut off from communication with the capital for lengthy periods.

### Finance of Internal Water Transport

The total expenses of the fleet in 1922-23 were calculated as 39,745,955 roubles, of which it was expected that receipts would cover 20,597,691 roubles, but in point of fact the estimate was largely exceeded, the receipts being 34,068,693 roubles, or 165 per cent. of the estimate. This result was due largely to the very greatly increased passenger service, which increased to more than twice the figure of the previous year. Since 1921 the expenses of wages have been reduced by a drastic cutting down of the staff to one-third of the number in summer and one-quarter the number in winter.

## OCEAN TRANSPORT

Sea transport in Russia has suffered as a result of the World War and the revolution more than other forms of transport, but since 1922 the process of renewal has begun and is being effectively carried on.

The sea-going ships of Russia before the war were divided into those privately owned and those of the Volunteer Fleet. The privately owned were again divided into ocean-going ships and those concerned with the coastal trade.

The administration of ocean transport is now divided between the Commissariat of Transport and Communications and the Commissariat for Foreign Trade, which controls the port of Leningrad and the present Volunteer Fleet. The administration of Ports and Docks and the administration of the Government Ocean Trading Fleet are separated from each other under the general control of the Commissariat of Transport and Communications.

Despite all difficulties, the development of ocean transport has contributed in a marked degree to the revival of Russia, as the development of export and import has renewed the activity of the ports, and this has reacted on the activity of coastal trade and trade along the internal waterways and railways of Russia.

In 1913 the value of the trade carried by sea exceeded that carried by land by 73 per cent., according to value and by 177 per cent. according to weight.

The distribution of trade according to ports before the war was: southern ports, 44 per cent; Baltic ports, 48 per cent.; northern and eastern ports, 8 per cent.

**Present Sea Transport Resources**

*Government Trade Fleet.*—On June 1, 1923, there were 800 ships of tonnage of over 26,000,000 poods at the disposal of the Government. Of these, however, only 249 ships were suitable for general ocean transport, the remainder being of a more limited or more special character.

Of these 800 ships, however, only about half were in use; 40 per cent. were under repair or in need of repair and 10 per cent. were worn out. The distribution of these ships is seen in the following table:—

Seas.	Total no. of ships.	Tonnage in poods.	Fit for general transport.	Tonnage in poods.
Northern . . . .	108	1,118,260	24	955,120
Baltic . . . . .	44	4,976,000	27	4,880,195
Black Sea and Sea of Azov . . . . .	304	6,596,288	67	4,074,950
Caspian Sea . . . .	344	13,638,000	131	4,718,000
<b>TOTAL IN 5 SEAS</b>	<b>800</b>	<b>26,328,548</b>	<b>240</b>	<b>14,628,265</b>

The cargo turnover of the ports on these seas is given below in thousand pood units:—

Seas	1913.	1921.	1922	1923
White Sea . . . .	113,227	21,220	32,961	35,410
Baltic (Leningrad). .	445,945	26,591	75,363	45,278
Black Sea and Sea of Azov . . . . .	1,193,353	19,693	80,697	119,059
Pacific Ocean . . .	96,966	34,073	45,582	49,049
Caspian Sea . . . .	436,051	241,621	257,663	175,091
<b>TOTAL . . . .</b>	<b>2,285,542</b>	<b>343,198</b>	<b>492,266</b>	<b>423,887</b>

This cargo turnover is divided between:—

Ocean voyages . .	1,283,100	83,019	185,103	185,014
Short coastal voyages	950,767	161,795	299,571	230,673
Long coastal voyages	66,689			

The coastal trade is carried exclusively in Russian bottoms, but the ocean-going trade was mostly carried in foreign ships.

In the year 1923 of the amounts of cargo given above only 18 per cent. were carried in Russian bottoms to ports of the Baltic (Leningrad), 3 per cent. in Russian bottoms to ports of the Northern Ocean, and only 1·7 per cent in Russian bottoms to ports of the Black Sea and Sea of Azov.

*The Russian Volunteer Fleet.*—This fleet is under the

administrative control of the Commissariat of Foreign Trade, and in the middle of 1923 it had at its disposal the following ships :—

Far Eastern waters	. . .	11 Ships and 3 Chartered Ships
European waters	. . .	5 Ships

That is to say, that in 1923 the Russian Volunteer Fleet had at its disposal a tonnage equivalent to about half of that owned pre-war. And this is a very remarkable achievement when the history of the Volunteer Fleet is considered.

The Volunteer Fleet was established in Russia in the year 1878 as a result of a national subscription. Its original purpose was to strengthen Russian maritime resources, and it began with three ships, steamers, the *Russia*, the *Petrograd* and the *Moscow*. Soon after this a fourth ship, the *Nijni-Novgorod*, was added. The fleet was under the administrative control of the old Ministry of Trade and Industry.

By 1916 the Russian Volunteer Fleet had become a great undertaking, with a flotilla of ocean-going steamships. The number of ships in 1916 were 44 of a total tonnage of 97,000, and in addition to these ships the Volunteer Fleet owned, in Russian ports and abroad harbours, floating docks, workshops, barges, cranes, stores and a mass of technical material of various kinds. Some of these vessels of the Volunteer Fleet were transferred in the early part of the World War, by arrangement with the Allies, to strengthen the transport forces of the power united against the Central Powers. After the 1917 revolution a special Government contract was made by which some of the units of the Volunteer Fleet were taken as a special time-charter. From that time onward the state of the Volunteer Fleet became worse and worse. During the civil war in Russia temporary Governments, set up in opposition to the Bolsheviks, occupied the Arctic ports, those on the Black Sea and Sea of Azov. When these Governments collapsed and their military and naval forces were withdrawn they took steamers of the Volunteer Fleet abroad with them. Some of the ships were sold abroad for practically nothing. Others were actually sold in order to pay for fuel or to pay the wages of the crew. And the equipment of these ports belonging

to the fleet, such as cranes, barges or motor boats, some were taken abroad and some simply spoiled or abandoned in such a way as to be useless. The final blow was in May, 1921, when Anti-Bolshevik forces captured Vladivostock and with it the ships and property and Volunteer Fleet.

### Revival of the Volunteer Fleet

The revival of the Volunteer Fleet began in January, 1922; new directors were appointed in place of those who had fled from the country with the adversaries of the Soviet Government and the fleet began again with three steamers at its disposal. The state of the fleet in 1923 had already much improved, and the Government is now gradually getting possession again of its foreign property. Numerous legal actions were initiated by the Soviet Government with the object of obtaining the return of ships and technical material.

Up to the end of 1924 there had been returned to the Soviet Government all its former property in Russia and many of the ships taken abroad.

At the present time all the largest ships of the Volunteer Fleet are marked A 1 at Lloyd's. Some of the ships trade between Leningrad and England and thence to the Black Sea, but for the most part the fleet now—as before the war—serves the Far East. The Volunteer Fleet provides routes along the eastern coast from Vladivostock to Kamchatka and Sakhalin, from Nikolayevsk to the River Amur and to the ports of China and Japan. From the time of the opening of the route to Vladivostock up to January 1, 1924, 368 journeys were made from Europe to that port and 40,677 passengers were carried and 4.12 million poods of cargo.

The programme of the Volunteer Fleet in 1924 included regular voyages from Vladivostock to the coast of Kamchatka and regular services between Vladivostock and the following ports—Nikolayevsk, Alexandrovsk, and other Eastern ports—all in Russian territory. The programme also included regular sailings to Shanghai, Kobe, and other ports of China and Japan.

It is expected that the freight turnover in the Far East will reach the pre-war standard in five years' time. The

present fleet has about 35 per cent. of the cargo-carrying capacity of the pre-war fleet. It is, therefore, proposed to build 19 new vessels, according to Lloyd's A 1 specification, for passengers and cargo and suitable for winter navigation. All ships will be equipped with steam heating, electric lighting and ventilation.

### Finance of Nationalized Shipping

The Government Trade Fleet, at the time of its transfer to the administration which now controls it, was hardly in need of repair, and it had to spend three times the amount allowed it on repairs, taking the extra money from profits of its working and credit operations of the department. From the beginning of the operations of the Government Trade Fleet up to October 1, 1923, there was a total deficit on working of 992,778 Tchervonetz roubles, or roughly £100,000. The operations of the fleet yielded a profit in the Arctic Ocean and in the Caspian, which was slightly more than the loss on the Baltic Trade. The chief loss of about £100,000 was on the transport operations in the Black Sea and the Sea of Azov.

The tendency is to reduce working costs and increase efficiency however. On January 1, 1924, 5,900 persons were employed on the Government Trade Fleet. On January 1, 1925, the number was considerably reduced.

### The Volunteer Fleet

The financial position of the Volunteer Fleet in 1914 is shown below :—

Capital.	Roubles.
By subscription . . . . .	4,151,105
For insurance . . . . .	5,427,425
Reserve . . . . .	8,733,753
Value of ships . . . . .	16,297,351
Immovable property . . . . .	926,070
Liquid assets . . . . .	207,786
Current accounts . . . . .	4,196,065
Paper and securities . . . . .	2,948,103

At this period the Volunteer Fleet was known all over the world and had offices and agencies in 54 places abroad.

In August, 1924, the financial position of the Volunteer Fleet was as follows :—

Value of ships . . . . .	Roubles, 2,297,532
„ liquid assets . . . . .	86,260
„ immovable property . . . . .	450,918

The Volunteer Fleet has its own flag and its various offices ; agencies and representatives in the Soviet Union and abroad number 214.

### Ports and Docks

The ports of the Russian Soviet Union are now administered by a special department of the Commissariat of Transport, with the exception of the port of Leningrad, which is administered by the Commissariat for Foreign Trade.

The total number of ports and harbours in the U.S.S.R. at present is 62, which are grouped as follows :—

Ports of the first class . . . . .	8
Ports of the second class . . . . .	4
Ports of the third class . . . . .	5
Ports of the fourth class . . . . .	8
Small ports and harbours of relatively minor importance . . . . .	37

During the World War and the revolution the equipment of the ports suffered very severely. The ports changed hands and were the seats of hostile encounters, and during this disturbed period the service fleet of such vessels as tugs, barges, dredgers, floating docks, icebreakers, etc., was dispersed or mobilized by the different armies and navies for other purposes. In 1923 the number of service vessels available, after a process of weeding out had already been gone through, was 599. But only 10 per cent. of these vessels were quite sound ; the condition of the vessels is indicated below :—

	Per cent.
Quite sound . . . . .	10
Requiring comparatively slight repair . . . . .	20
Requiring more serious repair . . . . .	40
Requiring capital repair . . . . .	20
Requiring rebuilding . . . . .	10



Apart from the need of actual repair work as shown above 70 per cent. of all the vessels required dry docking. :

### Reconstruction of Ports

Despite the great handicaps indicated, the ports have been got into condition again and are now functioning.

In 1920 and 1921 the majority of the chief ports were either closed completely to ocean-going traffic or in such a condition as to be unable to deal with any large volume of cargo.

Thus, in 1920 and 1921, Mariupol, Kherson and Archangel were closed to ocean-going traffic and the ports of the south, Odessa, Novorossisk and Nikolayev had lost about 60 per cent. of their capacity for dealing with cargo. This was shown very clearly in 1921, when it was necessary to import food-stuffs through the Black Sea ports for the relief of the famine, and when even these, relatively small quantities, were only handled with great difficulty.

By the middle of 1923, however, all ports had been dredged to a depth nearly up to the pre-war standard, and the cargo handling capacity of the ports was also up to a standard approaching that of pre-war. During the autumn of 1923 a corn export programme was carried through and the southern ports especially passed through the ordeal brilliantly.

In December, 1923, the cargo handled in all the ports reached 72,000,000 poods.

### Finance of Ports and Docks Administration

At the end of 1921 the total number of workers connected with Ocean transport (for at this period Ports and Docks and the Fleets were not separately administered) was 42,186. By July 1, 1922, a policy of efficiency and economy had reduced the number to 23,880. But by January 1, 1924, the number of workers on ports and docks was reduced to 3,978 persons.

This reduction of staff coincided with an improvement in the efficiency of organization and a general reduction of expenditure. Thus the estimate for the year 1922-23 was only 67 per cent. of that of the previous year. The income of the ports and docks in 1922-23 amounted to about £200,000,

of which more than one-half of the amount came from the Black Sea ports, one-third from those of the White Sea and one-eighth from the Sea of Azov. The receipts from the port of Leningrad are not considered here, as the port was administered by the Commissar for Foreign Trade. The ports of the Transcaucasian Republics are also excluded from this calculation, as up to April, 1924, they were separately administered locally and all their expenses paid out of receipts at the ports. From January to October, 1923, the Transcaucasian ports made a profit of about £10,000.

The estimated expenditure of all ports for the year 1923-24 (excluding the Transcaucasian ports until April, 1924) were calculated at about £600,000, of which £150,000 was to be spent on new works.

#### AIR TRANSPORT

##### Deruluft

The air transport between Germany and Moscow is carried on by the Russo-German Air Transport Company (Deruluft). In 1924 this company owned ten Fokker (F. 111) machines equipped with 360 h.p. Rolls-Royce engines. The distance flown is 1,200 kilometres—from Königsberg, in East Prussia; to Moscow. One stop is made at Smolensk, which is about half-way.

The train journey Berlin-Königsberg and air journey Königsberg-Moscow takes 22 hours. The cost of the journey from Moscow to Königsberg in 1924 was 125 dollars with a free allowance of about 10 lb. of luggage. The number of journeys in 1922 was 113; in 1923, 155; and in 1924 and 1925 it rose above this figure.

##### Dobrolet

The Volunteer Air Fleet began operations in June, 1923, and the following services were open in 1924:—

Moscow-Kazan-Nijni-Novgorod.

Tashkent-Verni.

Khiva-Bokhara.

Sevastopol-Yalta.

Sevastopol-Eupatoria.

Novo-Nikolaiev.

The total length of the airways is 6,000 kilometres; and 17 aeroplanes were detailed for the service, 5 being employed on the Moscow-Kazan route, 3 operating in Turkestan, 2 at Sevastopol, and 1 at Novo-Nikalaiev. The Central Aerodrome is at Moscow and has Hangars for 10 aeroplanes with necessary workshops. Six aeroplanes are kept here in reserve.

A further air service operating in Russia is a branch of a German firm, the Junkers-Dessau, and arranges aeroplane journeys from Stockholm across Russia to Teheran in Persia. Stopping places are Leningrad, Moscow, Kharhov, Rostov-on-Don, Novorossisk, Batum, Baku, Tiflis, Enzeli, Teheran. The company has offices in Stockholm and Teheran as well as in the Russian and Caucasian towns named.

#### POSTS AND TELEGRAPH

The service of posts and telegraphs in Russia has been considerably developed since 1913. In 1913 there were in the territory of the present Soviet Union, 5,568 post and telegraph offices; in 1920 there were 7,000; in 1921, 9,417; and in July, 1923, 9,070. The number of post boxes has, however, diminished and is now about 80 per cent. of the pre-war number. Since the war there have been erected over 300 radio stations, very few of which existed before the war.

The Moscow Province is that best supplied with postal facilities, there being one office for over 9,000 people. The worst developed is in Turkestan, where there is one office for 83,333 persons.

The roadways, railways, waterways and airways over which postal communication is maintained is as follows:—

Roads . . . . .	132,515 versts.
Railways . . . . .	72,956 „
Waterways . . . . .	38,059 „
Airways . . . . .	3,123 „

The added mileage of these ways is about 10 per cent. less than that of 1913, but the reduction is on roads, the actual mileage by rail, water and air having increased.

Telegraph lines, on the other hand, have increased. On July 15, 1923, there were 116,293 versts of telegraph lines, an increase of 116 per cent. over the figure for 1913. The

wires increased still further to 122 per cent. of the figure for 1913.

The majority of the radio stations are receiving stations only, but there are 41 big receiving and transmitting stations. The big radio stations are distributed as follows : Leningrad, 1 at Detskoe Selo, formerly Tsarskoye Selo ; Moscow, 3 ; Ural region, Orenburg, Ekaterinburg, Ufa and Vyatka, one each ; on the Volga, Saratov, Samara, Tsaritsyn, Astrakhan, one each ; in Caucasus and Trans-Caucasus, Vladikavkas, Tiflis, Batum, Baku, one each. There are stations in Siberia and the Far Eastern Province at Semipalatinsk, Petropavlovsk, Chita, Vladivostock, Oost-Kametchatsk and Kamchatka, there is a station at Smolensk, in the Ukraine at Kharkov, Kiev, Poltava, Rostov-on-Don and Odessa, in the Crimea at Simferopol.

It is by means of wireless communications that Government ordinances are frequently published and through the Radio Stations Moscow can get into touch with the whole of Russia. The ordinary telegraph of course runs to Leningrad.

Russia's postal arrangements are not yet quite completely re-established, but great strides have been made since 1921.

Arrangements for telegrams are made with every part of the world.

Letters and newspapers also can be sent or received from or in any part of the world.

Parcels are accepted in or out with all European countries except Poland. In Asia with Palestine, Syria and Turkey, also with Cyprus. In Africa with the Union of South Africa, with Egypt and with Algeria. In America with United States, Canada, Argentine, Brazil, Venezuela, Cuba, Mexico, Peru, Uruguay, Chile.

Australia—with South and Western Australia.

### Telephones .

The telephones, which were nationalized in July, 1919, are being extended ; trunk lines exist between many of the chief towns and cities. There are 1,290 Telephone Exchanges and 102,000 telephone subscribers. The total lines exceed 70,000 kilometres in length, of which inter-town (trunk) line communication accounts for 21,000 kilometres.

### **Volume of Postal Business**

The volume of postal business has shrunk very much since the war and the revolution. In 1923 the post carried about 17 per cent. of the letters carried in 1913. And in the same year the amount of telegraph business done was only 42·8 per cent. of that done in 1913.

## CHAPTER X

### Internal Trade

THE New Economic Policy proclaimed in 1921 only began to show marked results in the statistics of internal trade in 1923.

The establishment of Goods Exchanges in 1922 played a considerable and important part in the new order of things. At the end of 1922 there were 65 of such exchanges and at the end of 1923, 96; the number is now over 100 and a list is given in the Appendix. The increase, moreover, was not one in number only; the standing and influence of the exchanges grew all the time and it is clear that they must play an important part in Russian affairs.

In 1923 a Commissariat for Internal Trade was created, and great efforts are now being made to foster trade by all means.

The increase in the volume of trade is more marked in the provinces than in Moscow. Thus the transactions registered at the Moscow Goods Exchange in March, 1923, amounted to 110.5 million Tchervonetz roubles, and in March, 1924, the figure was 108.7 million Tchervonetz roubles (the Tchervonetz is a stable currency on a gold basis and its fluctuations are not great). But in the intermediate period, July, 1923, the figure had risen to 155.6 million Tchervonetz roubles, and in October, 1923, had sunk to 77.5 million Tchervonetz roubles. These figures give an index of the extent of the markets crisis of 1923.

But the transactions registered at the Provincial Goods Exchanges show—

March,	1923	. . .	43.9 million Tchervonetz roubles.
July,	1923	. . .	73.3 million Tchervonetz roubles.

September, 1923 . . . 75.9 million Tchervonetz roubles.  
January, 1924 . . . 88.4 million Tchervonetz roubles.  
(The last month recorded.)

The transactions registered at the Moscow Goods Exchange include private trade and that of the various activities of the Government and also of Co-operative trade. But not all private or co-operative transactions are recorded.

Statistics of State trade are given separately (as well as included in the returns of the Goods Exchanges) from October, 1923, onwards, and show an increase of trade with some considerable fluctuations.

The statistics of the trade of the Central Union of Co-operatives (the Centrosoyus) show a rise from 2.1 million Tchervonetz roubles in January, 1922, to 15.2 million in September, 1923; a fall in October (the period of crisis) to 11.7 million, followed by a rise to 17.1 million in March, 1924, with a fall in January, 1924, to 10.0 million. But not all trade comes within the purview of the Goods Exchanges and the statistics are very far from giving a complete idea of the trade that is going on.

### The Character of Russia's Home Trade and the Peasant

There are at the present time in Russia a large number of organizations by means of which the Government endeavour to take their full share of private trade. But the character of the Russian Market makes it very difficult for any Government organization to take part in retail trade.

So much is this so that after an investigation conducted by the Commissariat of Internal Trade in 1922 it was stated that in the villages the whole of the trade is in the hands of the private traders and that in district (Volost), county (Uyezd) and capital towns of the provinces the private trader takes 80 per cent of the retail trade. And the private trader in the retail business tends to purchase from the private wholesale trader or the semi-wholesale trader in the district (Volost) towns.

The reasons for this are to be found primarily in the existing conditions of life in Russia.

The vast bulk of the population of Russia are peasants with very simple needs and scattered sparsely over a gigantic territory. The dominating characteristic of internal trade is that of the small business selling all kinds of mixed goods like small and primitive village stores in this country.

The distance between villages also plays an important part in Russian trade and has called into existence a numerous class of travelling traders, hawkers, who go from village to village selling household goods. For these reasons retail trade selling to the peasants is in the hands of small traders and for the same reasons retail trade buying from the peasants is in the hands of a large class of agents and buyers who go from village to village buying the products of the fields and gardens, buying stock and buying the productions of the peasant crafts, the different koustar industries.

If the Government wished to compete in this retail buying and selling it would only be practicable to do so by the creation of a State service of agents comparable in number with the private traders. For the reason of the expense of the establishment of such a service it is recognized that the Government cannot enter this market in any direct way and attempts are confined on the one hand to securing a fair share of the wholesale trade for the Government organs and on the other to regulating and regularizing prices through the medium of the goods exchanges. Another effect of the conditions of peasant life which call a multitude of little traders into existence is to make the co-operative form of organization one which peculiarly recommends it to the peasant mind. And the co-operative form of organization has made a great leap forward since the New Economic Policy was proclaimed. This is described in the chapter devoted to Co-operation (*q.v.*).

### Fairs and Local Markets

The conditions of Russian internal trade are such as to be very well suited to trade through local markets. Before the war there were about 25,000 markets in Russia. The greatest market—and indeed the world-renowned market—was that of Nijni-Novgorod, which was held from July 15 to September



10 in every year. The pre-war turnover of this market reached £20,000,000 and business men and merchants from Asiatic Russia, China, Persia, Western Europe and even America met and bargained and bought and sold. During the revolutionary period the market was closed and in 1920 it was in a lamentable state of decay, its houses and booths fallen into ruin and in many places flooded. But it was put in order again in 1921 and reopened for the first time since the revolution in 1922, when its turnover was only about £3,000,000.

In 1922 and 1923 the turnover was much increased and in 1924 the following important State Industries took part, viz.: All Russian Textile Syndicate with goods to the value of 18,000,000 roubles, Moscow Cloth Trust, Second Flax Board, The Ivanovo-Voznesensk Textile Trust, the State Non-Ferrous Metal Trust, the Urals Metal Trust, Military Industrial Trading Department, Urals Chemical Trust, Fat and Bone Trust, Rubber Trust, Central Paper Trust, The Metal Industry Bureau, Leather Syndicate, Khleb product, State Test Trading Board, Moscow Agricultural Trading Board, The Trading Board, Raw Leather Company, Moscow Trading Company, State Universal Stores (Gum), State Trading Board (Gostorg). Over 4,000,000 poods of goods were taken to the Fair and a large proportion of purchases were made by small co-operative organizations.

The Nijni Fair was attended by large numbers of Eastern merchants as well as by those from Western Europe. Firms from Persia, Turkey and China were represented. To facilitate visits to the Fair a temporary Air Service between Moscow and Nijni-Novgorod was opened and the train service is good.

Baku Fair is another important event in the new Russia and three fairs have been held since 1922. The sales at the Fair in July, 1924, amounted to 8,000,000 roubles; 76 per cent. to the Home Market and 24 per cent. to Persia and the chief buyers were co-operative associations. 800,000 pounds of sugar at the Fair, supplied by the Sugar Trust, was all sold. The weight of goods brought to the Fair amounted to 1,160,207 poods. From Persia came 435,828 poods of rice, 133,709 poods of dried fruits, 30,000 poods of boxwood, 5,960 poods

of cotton, 5,189 poods of wool, 132 poods of skins and 4,263 poods of Morocco leather.

Other large fairs have been held at Saratov on the Volga, in the Semipalatinsk Province of Siberia, at Murmansk on the northern coast, at Kharkov, capital of the Ukraine, at Kiev (the Kiev Contract Fair)-and at Irbit the famous pre-war fair for purchase of furs and leather. Very large numbers of small fairs are now being revived and are held regularly on definite days in all provincial towns and big villages. The sellers at these local fairs are not specialized traders but peasants bringing their own produce—agricultural, or stock or peasant craft as the case may be.

### Village Trade

Private trade in the villages is carried out partly on a cash basis and partly by means of barter. The number of persons engaged in this trade, as hawkers, agents and the like, is estimated at 400,000, but of course the figure is only a rough approximation, as there is no means of arriving at a definite figure except by scrutiny of the statistics of the taxation records, which do not reveal the whole story. Village market trade is almost entirely in private hands.

### Private Capital in Wholesale Trade

This is another department in which statistics are not exact, but certain information of value is quite definite. Thus private capital is by no means equally distributed over the different branches of the wholesale trade, in certain branches it enjoys almost a monopoly and in others it is content with a very modest share.

The meat trade is almost entirely in private hands in Moscow, Leningrad and the large towns, at least up to 90 per cent.

In 1923 it was calculated that Government Departments controlled 80 per cent. of the general wholesale trade and that private capital took 20 per cent. Private capital, for instance, was very little interested in imported groceries, or in building materials or in metal products.

But the position is by no means clear. Up to the beginning of 1924 there was no accurate means of knowing what the amount of Government trade was nor even the number of Government trade enterprises (A. M. Leshava, *Internal Trade*, published by *Economic Life*, Moscow, 1924).

But by taking statistics of the ninety-five largest Government trade enterprises one gets an idea of the general tendency.

PURCHASES AND SALES OF THE 95 LARGEST GOVERNMENT TRADING ENTERPRISES IN 1922 AND 1923 IN GOODS ROUBLES

	Purchase.	Salc.	Turnover.
October, 1922 . . . .	15,000,000	33,000,000	48,400,000
September, 1923 . . .	27,000,000	63,000,000	89,900,000

As September, 1923, was the month of the crisis in Russian trade the turnover is very much lower than in the three or four months following.

The figures of the turnover of the Textile industry are particularly interesting and instructive. And it should be remembered that the 1923 autumn crisis especially affected the textile industry. Yet the trade grew very greatly.

The turnover in October, 1922, was 10,000,000 goods roubles and the turnover in September, 1923, was 27,000,000.

The amount of possible trade is, however, limited by the amount of the purchasing power of the nation and the national income has fallen very much. Professor Prokopovitch, formerly Professor of Economics in the University of Moscow,<sup>1</sup> using the figures of Mr. P. Popov, the Director of the Central Statistical Office, finds that the large-scale industries of Soviet Russia (exclusive of Siberia and Turkestan) produced only 16 per cent. of the 1912 figure in 1922, the peasant industries produced 35.9 per cent. of the 1912 figure in 1922 and agriculture produced in 1921 62.8 per cent. of the 1913 figure.

Professor Prokopovitch then calculates the national income as follows :—

<sup>1</sup> *The Economic Conditions of Soviet Russia*, P. S. King & Son, London, 1924,

## NATIONAL INCOME OF SOVIET RUSSIA IN GOLD ROUBLES PER HEAD OF POPULATION

	1913.	1921.
Agriculture . . . . .	48 roubles 34 kopeks	30.4 roubles
Industry . . . . .	22 „ 3 „	5.1 „
Various other branches . .	30 „ 98 „	3.1 „

The figure for population in 1921 is taken as 115.6 millions, giving a national income of 4,500,000,000 gold roubles.

Various Soviet economists make calculations which arrive at a very similar result. Mr. E. Preobrajensky, of the Financial Commissariat, calculates the income in 1920 at  $4\frac{1}{2}$  milliard gold roubles at pre-war prices, and others give results round and about this figure. The table below is quoted from Professor Prokopovitch's work :—

ESTIMATES OF THE NATIONAL INCOME OF SOVIET RUSSIA IN 1921-22  
(In milliard gold roubles)

Preobrajensky (Commissariat of Finance) . . . . .	4.5-5
Jurovsky (No. 1 of Economic Reconstruction, 1922) . . . . .	4.0
Russian Delegation at Genoa . . . . .	4.0
Russian Industrial Association (Paris) . . . . .	4.0
Russian Banking Committee . . . . .	3.4-2
Maslov ( <i>Russia after Four Years of Revolution</i> , 1922) . . . . .	3.3-4
Hensel ( <i>Current Problems of Financial Policy</i> , 1922) . . . . .	4-4.5
Issatchenko ( <i>Economic Causes of the Peasant Fluctuations of Prices for Manufactured Goods</i> , 1922) . . . . .	4.5
Menkov ( <i>Current Problems of Financial Policy</i> , 1922) . . . . .	4-5
Sokolov ( <i>Ibid.</i> ) . . . . .	4-5

From this it follows that the inhabitants of Soviet Russia produce yearly goods to the value of about 38.6 roubles, or 3 roubles 20 kopeks a month, which is roughly about 6s. 6d., instead of an annual production of 101 roubles in 1913 with a monthly production of about 8 roubles 40 kopeks, or about 17s. a month. What the fall to the rate to 3 roubles 20 kopeks means is difficult to imagine; it is about one-third of the pre-war amount, which was low enough, but it is obvious that with such a restriction of production the purchasing capacity

of the country is very seriously diminished and more particularly the purchasing capacity of the peasants.

Professor Prokopovitch concludes that it is not possible to revive the national economy of Russia "while the political economic dictatorship of the Communists is preserved," but the figures used by him refer to 1922, before the real effect of the New Economic Policy had shown itself, and a considerable revival has, in fact, already taken place and the currency has been stabilized. Nevertheless the limits of production under existing circumstances narrow the possibilities of trade, but the Soviet Government is showing itself fully alive to the need of helping the Home Trade and stimulating production to the maximum.

### The Development of Goods Exchanges

As an example of State action in the sphere<sup>\*</sup> of trade the history and present position of the Goods Exchange (previously referred to) have a special importance.

The internal trade of Russia is considered just as much the concern of the State as foreign trade, but it is directed by a different organization, having for its object the free play of individual initiative guided along certain channels of action.

In this guidance the Goods Exchange play a large part. And it is the Committee of Internal Trade, in subordination to the Council of Labour and Defence, which sets up the Goods Exchange.

The first Goods Exchange was opened in 1921 at Saratov on the Volga. By October, 1922, there were 33 stock exchanges and their number has grown gradually larger. It is typical of present Russian development that the decree sanctioning and regulating Goods Exchanges was promulgated on August 23, 1922, a considerable period after the founding of the Exchange at Saratov and others which followed it.

The Goods Exchanges may be set up either on the initiative of the Committee on Internal Trade or on that of local enterprises, co-operative institutions, limited companies, or individuals and the immediate administration of these bodies is carried out by the provincial or Gubernia Economic Commit-

tees, that is the local organs of the Supreme Economic Council.

Membership of Goods Exchanges is purely voluntary and is open to—(1) State Institutions (engaged in industry), State Trading and Industrial Enterprises and their Associations; (2) Co-operative Societies and their Unions paying over a certain amount in income taxes; (3) Private firms, Private Traders or Industrial Enterprises paying over a certain amount of income tax; (4) Foreign Firms can join Goods Exchanges on the same terms as Russian firms or individuals.

The Goods Exchanges make their own rules and are governed by a general meeting of their members, and pay their own expenses.

For Government Trading organizations the registration of transactions is obligatory; for private firms such registration is optional, but a considerable number of such transactions are registered. A fee of  $\frac{1}{10}$  per cent. is paid for registration and the conclusion of all bargains requires a stamp. The price-fixing function of the Goods Exchanges has a decidedly steadying effect on the market and the developing inter-town telephone system is used to make these prices prevail over large areas and the effect of the Goods Exchange in centralizing demand and supply makes the operations of trade much more manageable than they would otherwise be.

Brokers work in connection with the Goods Exchange and only brokers licensed by the Exchange are allowed to undertake business between buyers and sellers. Brokers are appointed by the Committee of Members which manages Goods Exchange business. A special quotations Committee has been formed consisting of the Chairman of the Goods Exchange Committee, the chief Broker and a number of elected members, and this Committee publishes prices in a daily bulletin, which gives the previous day's prices. Information about transactions outside the Goods Exchange is at the disposal of the Quotations Committee.

Disputes are dealt with by arbitration with an appeal to the Gubernia or Higher Law Courts.

All export and import business conducted inside the borders of the Soviet Union must be registered.

The growth of the business of the Goods Exchange may therefore be taken very conveniently as an index of the growth of internal trade generally. The total trade registered at the Exchanges certainly leave out a good deal of private trade and the figures therefore understate the actual position. Taking 54 provincial Stock Exchanges in 1923 their turnover increased from about 44,000,000 goods<sup>1</sup> roubles in January to over 105,000,000 goods roubles in October.

The figures of turnover of private trade on the Moscow Goods Exchange are given as follows :—

TURNOVER OF PRIVATE ENTERPRISE IN MOSCOW IN 1923 INSIDE<sup>1</sup> AND OUTSIDE THE GOODS EXCHANGE. (In goods roubles)<sup>2</sup>

Month of, 1923.	Turnover.
January . . . . .	11,787,000
February . . . . .	13,771,400
March . . . . .	21,122,000
April . . . . .	13,275,200
May . . . . .	16,123,100
June . . . . .	20,973,500
July . . . . .	31,663,500
August . . . . .	28,922,300
September . . . . .	21,542,000
October . . . . .	20,900,900
November . . . . .	28,608,500

What will ultimately be the relation of private and State Trading in Russia as regards their division of the Market it is as yet too early to say. In 1923 the importance of private capital appeared to decline relatively, but the statistics are not quite easy to interpret. Thus in 1923 the number of trading licences issued to private traders in Moscow fell during the year. But the percentage was not below 60 per cent. of licences issued, and the importance of the private trade is not only in the number of traders but in the amount of capital. And the amount of capital employed in business, State, Co-operative and private grew largely during the year. The following table shows how the capital in the Government Bank increased during the year 1923 :—

<sup>1</sup> Leshava, *Internal Trade*.

<sup>2</sup> Goods roubles were a measure of value calculated according to the index prices of commodities.

**CAPITAL EMPLOYED IN TRADE IN 1923 IN STATE BANK, MOSCOW**  
(In million Tchervonetz roubles)

Date.	State.	Co-operation.	Private.
January 1, 1923 . . .	85.7	348.7	1.1
February 1, 1923 . . .	76.6	332.5	0.2
March 1, 1923 . . . .	115.3	313.0	0.2
April 1, 1923. . . . .	235.2	411.9	0.2
May 1, 1923. . . . .	351.5	545.4	4.4
June 1, 1923. . . . .	556.9	757.1	—
July 1, 1923. . . . .	649.4	810.7	—
August 1, 1923 . . . .	682.9	825.3	—
September 1, 1923 . . .	548.1	960.8	10.0
October 1, 1923 . . . .	427.4	1,005.9	44.4
November 1, 1923 . . .	546.2	1,251.8	14.5
December 1, 1923 . . .	436.0	1,344.9	16.9

The general turnover increased 20 per cent., the Government turnover 45 per cent. and private trade 11 per cent. Trade is certainly growing and the incessant attention devoted to the subject adapts the conditions to suit the needs of trade. Excise duties and taxes are being reduced. Thus in 1923 the excise duty on sugar was reduced by 20 per cent. (from 5 roubles to 4 roubles per pood), that on salt by more than 50 per cent., that on paraffin by 25 per cent. and similar reductions were made on other products.

On another line of activity the organization was being changed and the tendency in Russia is from complexity and formality to greater simplicity and greater freedom. In 1924 the decree dealing with Syndicates and Trade was nearly completed, a new Government Control Organization was created and an elaborate Commercial Code brought forward for discussion by all interested departments and individual enterprises.

#### **Joint-Stock Companies.**

The growth of Limited Liability Companies and other business organizations during 1923 and 1924 was very considerable. Thus in the early part of 1924 about 96 Companies were approved. There were also approved Banks, Credit Societies, Pawnshops.

#### **The Crisis in 1923**

The effect of the crisis in 1923 is most clearly seen in the charts of Goods Exchange Turnover dealing with different



categories of goods. The curves for general manufactures, chemicals and metal, show a fall in the first three from July to October. The crisis was caused by the high prices of important manufactured goods and the extremely low prices of agricultural products. That is to say, 80 per cent. of the population (the peasants) were receiving so little for their produce that they could not buy. The reasons for the crisis (the Scissors) are complicated. The policy of the Soviet Government in buying cereals cheap inside the country and selling cereals abroad at a profit to help to balance the Budget has been blamed as one cause. The policy of subsidizing industry, of wrong costing systems, of industrial inefficiency, etc., etc., have also all been attributed their share of blame.

But whatever the reasons, and the above played their part, the Soviet Government learned that the Economic machine of trade cannot be controlled in the Scissors way and that the interests of peasant and worker and of the State as representing both have to be "clamped" together to secure a free circulation of the products of labour. The recovery from the crisis, the improvement of trade, reduction of prices and the expansion of the volume of business have all been witnesses to the fact that the Soviet Government is fully alive to the realities of the situation. The great expansion of Co-operative enterprise is one way out of the difficulties of combining State and private trading, but the Soviet Government have already shown that they do not intend to allow any economic orthodoxy to interfere with trade and they are taking steps to make the success certain.

### Chambers of Commerce

Four Chambers of Commerce are at present in existence in the Soviet Union, the North-Western District Chamber of Commerce, the Russo-Eastern, the Azerbaijan and the Primorskaya or Maritime Chamber of Commerce.

The North-Western District Chamber of Commerce in Leningrad was started on November 11, 1921. It is a public organization with the rights of a corporation and acts under the administrative control of the Committee for Home Trade. This Chamber of Commerce has published a *Directory of*

*Russian and Foreign Business Men*, and the directory (published at Leningrad in English in 1923) states that it has 242 enterprises as its members. This organization is managed by a Committee of 5 members, elected at a General Meeting and its business is conducted in four sections: (1) Home Trade, (2) Export and Import, (3) Information, (4) Editorial.

This Chamber of Commerce is in correspondence with other Chambers of Commerce outside Russia and with commercial and industrial houses. Enquiries from foreign correspondents are especially dealt with.

The questions to which this Chamber of Commerce devotes itself are:—

- (1) Trade development of the district.
- (2) Problems of credit, taxation, relations between State, private and co-operative business, the organization of business in the villages; problems of flax-growing, butter-making, and the timber trade are considered.
- (3) Study of Foreign Trade.

The Chamber of Commerce also studies questions of Tariffs and Transport, attempts to get taxation reduced.

A very important function of the Chamber is joining with the economic organizations of the district in deliberations on trade and trade policy.

The Chamber organizes co-operation between commercial and industrial enterprises, arranges their representation at fairs and exhibitions in Russia and abroad.

A daily paper, the *Commercial and Industrial Courier*, is issued, and books on taxation, trade and currency transactions are also published.

Certain special duties are carried out by the Chamber of Commerce with reference to the following: (1) Arbitration Court; (2) Institute of Sorters of Goods; (3) Institute of Book-keepers; (4) Institute of Weighers and Measurers; (5) The Flax Office; (6) Credit Office; (7) Museums.

The Arbitration Court is in effect a special Commercial Court whose decisions are binding.

The Sorters examine goods for export and the Chamber declines a certificate if goods are not up to sample.

The Book-keepers see to correct book-keeping and accounting,

The Weighers and Measurers deal with goods for Home Trade and the Chamber accepts responsibility in case of their default ; this section of the Chamber's activities has a special subsection for the Harbour work.

The Primorskaya or Maritime Chamber is situated at Vladivostock and helps to stimulate trade between Russia, Japan and the East.

The Russo-Eastern Chamber of Commerce is in Moscow ; it is managed by an elected Committee of 15 members who appoint 5 directors. As well as the representatives of State, co-operative and private trade, this body includes representatives from the Commissariat for Foreign Trade. The work of this Chamber is to encourage trade between Russia, Central Asia, Persia, Turkey, Afghanistan, China and Japan.

The Azerbaijan Chamber of Commerce is at Baku, and its activities are particularly concerned with the development of trade between Russia and Persia.

### Licences for Trade and Employment

All kinds of trades and employments have to pay a licence tax which varies according to the nature and extent of the occupation, and also according to the location of the employment which is divided into five zones, with Moscow as a special zone of its own.

Zone 1 includes some of the largest towns in Russia, such as Leningrad, Kharkov, Kiev and Odessa.

Zone 2 includes 36 towns such as Archangel, Astrakhan, Vitebsk, Voronej, Samara, Tomsk, Vladivostock, Irkutsk, etc.

Zone 3 includes 153 towns, such as Vologda, Vyatka, Kostroma, Orel, Pskov, Simbirsk, Smolensk, Tver, etc.

Zone 4 includes all other towns and places of town type (Settlements), also districts of governments of Zone 3 towns.

Zone 5 all other places.

The amounts of licences are given in the tables below.

The licences payable in trade and industry.

The prices of the half-year licences calculated in Tchervonetz roubles and kopeks.

(Regulation of Central Executive Committee and Soviet of People's Commissars of September 12, 1923.)

Class.	Moscow	Zones.				
		I	II	III	IV	V

*A. For Trade Enterprises.*

I	Hawkers, etc.	10.75	8	6	4	3	2
II	Temporary stalls, etc.	16.75	13.50	10	6.75	5	3.25
III	Shops . . . . .	54	43	32	22	16	11
IV	Semi-wholesale . . . .	165	135	100	67	51	34
V	Wholesale . . . . .	540	430	320	215	160	110

*B. For Store Houses, attached to Trade and Industrial Enterprises.*

Trade.	Industry.						
III	I-VI . . . . .	10	8	6	4	3	2
IV	VII-IX . . . . .	18.50	16	13.50	10.75	6.75	4
V	X-XII . . . . .	34	27	20	13	9.50	6.50

*C. For Industrial Enterprises.**Classified according to number of workers employed.*

I	(Not above 3) . . . .	6	5	4	3.25	2.25	1.50
II	3-6 . . . . .	12	10	8.50	6.75	5	3.25
III	6-12 . . . . .	24	20	17	13	10	6.50
IV	12-30 . . . . .	37	31	25	20	15	10
V	30-60 . . . . .	54	47	40	33	26	20
VI	60-100 . . . . .	78	71	64	57	50	43
VII	100-150 . . . . .	100	94	88	82	76	70
VIII	150-200 . . . . .	142	135	128	121	114	107
IX	200-300 . . . . .	223	216	209	202	195	188
X	300-500 . . . . .	405	405	405	405	405	405
XI	500-1,000 . . . . .	675	675	675	675	675	675
XII	1,000 and upwards	1,000	1,000	1,000	1,000	1,000	1,000

*D. For Individual Employment.*

I	Smallcraftsmen, small clerks, engineers' assistants, etc.	5	4.25	3.50	2.75	2	1.50
II	Clerks and employees in trade enterprises and co-operations.	9	6	5	4	3	2
III	Managers of Trade and Industrial enterprises . . . .	16	10	8.50	6.75	5	4.50
IV	Doctors, Dentists, Engineers, etc.	24	17	14	11	8.25	5.50
V	Soviet Directors, private directors, etc. agents, brokers, etc.	47	46	33	27	20	13

From a study of these tables it is quite clear that the Soviet Government is in a position to know with a fair degree of accuracy exactly how the population are employed and how industries and trade are being carried on.

### State Supervision of Internal Trade

The New Economic Policy of the Soviet Union has not meant the abandonment of internal trade to unregulated private competition. Competition has its place and the fact that even the State enterprises are on a business footing and have to pay their own expenses out of their own income makes competition keen. But at every stage of internal trade the State studies what is going on and guides and directs. The organization at present is not regarded as complete, it is subject to change and modification, one might almost say, indefinitely, so long as the paramount interest of the State remains paramount. The capable business organizer can become wealthy, but the limits within which he can use his wealth are clearly marked. What the ultimate shape of the organization will be is only a matter for speculation, but the indications at present are that a State is being built up in which private capital and private initiative have a place, and a great place, but in which the private capitalist will be unable to use his economic power for political purposes.

### State Organizations for Controlling Internal Trade

The Committee on Internal Trade, a department of the Council of Labour and Defence, is charged with the duty of studying the whole question and of embodying its decisions in decrees and regulations which are submitted for approval to the Council of Labour and Defence on the Soviet of People's Commissars.

In the gubernias of Russia the economic life of the district is supervised by the Economic Councils which act in their area as the Council of Labour and Defence does for the Union as a whole, and these Councils have committees for internal trade subordinate to them, their duties being defined as—supervising all kinds of trade in the limits of the district, harmonizing the activity of State and co-operative organiza-

tions, promoting the formation of goods exchanges and fairs, and working out projects for the facilitation of commerce.

That this elaborate organization has been successful up to a point the statistics of internal trade in Russia already show. Indeed this organization has already been more successful than a great economist like Professor Prokopovitch thought possible. And with the adaptability to conditions being displayed by the Soviet Union Government there seems every reason for thinking that the steady improvement will continue.

## CHAPTER XI

### Foreign Trade

**F**OREIGN Trade of the Soviet Union is a State monopoly, and all export and import is carried on by State Departments specially organized for the purpose or by special companies created for the purpose, in which the State has an interest and whose operations it controls. When organizations in which private individuals and private capital take part are allowed to conduct foreign trade operations, it is by means of a Concession agreement, that is in effect a special law framed as an exception to the general law. The organization of Foreign Trade is divided into two sections: (1) that of general administration and regulation; (2) that of operation; this second section carrying on its work through a number of different organizations whose nature tends to become specialized and whose number tends to increase.

The Foreign Trade of the Soviet Union was nationalized by a decree of April 22, 1918. At that time the Soviet Union was not in existence as such, and the decree emanated from the Russian Soviet Federation of Socialist Republics (Code of Laws, 1918, No. 33, Article 432). And the monopoly of Foreign Trade is based on this decree and on the decree of the Soviet of People's Commissars—that is, the Russian Cabinet—of the R.S.F.S.R. on June 11, 1920 (Code of Laws, 1920, No. 53, Article 235). The first of these laws forms the constitutional charter of the Foreign Trade monopoly and was originally conceived in an exclusive spirit before there was any question of the co-operation of private individuals or the granting of Concessions. Even in 1920, when the second decree defined the rights of the Foreign Trade monopoly more precisely, the People's Commissariat of Foreign Trade was alone

entitled to trade and its direct previous consent was necessary to any trading operation outside this narrow range. And at this period the administrative rules were very strictly interpreted, so that the channel in which trade ran was very narrow indeed. But the constitutional development of the Soviet Union has been very rapid and the policy of the Foreign Trade monopoly laid down in the two fundamental decrees has been subjected to legislative and administrative interpretation which has very much enlarged its freedom and opened up fresh channels along which trade may flow. The principle of Government or State monopoly has not been abandoned, but it is now interpreted in a spirit which allows of a great diversity of forms and, what is perhaps most important, allows of the co-operation of private enterprise and initiative. These constitutional changes have come about for the most part since the proclamation of the New Economic Policy in 1921, for this carried with it the necessity—specially and openly recognized—of reducing formalities to the minimum compatible with Government policy and consequently gave a great deal of individual freedom to separate Government Departments, to Co-operative Societies, to State concerns formed by Government Departments and, under definite forms laid down by decree, to private capital and individuals. Legislation and the interpretation of legislation since 1921 has, in the words of *Russian Information and Review*, “empowered a number of State enterprises to enter the foreign market and has simplified the method of transacting business, it has extended the rights of State institutions and co-operative organizations and it has created joint-stock companies, some of them with the participation of private capital, for purposes of conducting trade, and maintaining economic relations with other countries.” The laws and interpretations of laws referred to are particularly the resolution of the Presidium of the All-Russian Central Executive Committee and of the Council of Labour and Defence of October 16, 1922 (Code of Laws, 1922, No. 65, Article 846) and the Decree of the All-Russian Central Executive Committee and the Council of Labour and Defence of April 12, 1923 (Code of Laws, 1923, No. 31, Article 345). The Soviet Union



1923, and legislation prior to that was chiefly carried out by the R.S.F.S.R. and applied in the other Republics either by their passing similar or identical legislation or by entering into treaty agreement to observe the same laws. Thus the Ukrainian Socialist Soviet Republic, now a constituent member of the Soviet Union, passed the same legislation. But in the case of Transcaucasia the Foreign Trade monopoly came into existence not by a legislative act of the Government of that body, but by a treaty of Economic Union with the R.S.F.S.R.

There are, therefore, some minor differences between the constituent Republics with regard to the Foreign Trade monopoly, but not of a character sufficient to affect the principle of the State control of Foreign Trade. On the formation of the Union the general declaration was adopted that "the direction of foreign trade appertains to the jurisdiction of the Union," and it is one of the "reserved subjects" in which Soviet Union control is supreme.

### The Commissariat of Foreign Trade

The People's Commissariat for Foreign Trade was established by Articles 49 and 51 of the Constitution of the Soviet Union and is governed by the regulations of the Central Executive Committee of the Union of November 12, 1923. These regulations considerably modify the pre-existing organization. The Commissariat of Foreign Trade itself is now purely administrative; the actual trade is carried out either by the State Trading Board (the Gostorg) or by joint-stock companies established for the purpose or through the activities of the Co-operative Societies or of other than the Gostorg Government Departments. The People's Commissariat of Foreign Trade has its own representatives on the Council of People's Commissars and it has its own representatives abroad who are on the footing of diplomatic representatives in the countries to which they are accredited.

The function of the People's Commissariat of Foreign Trade are defined as follows :—

(a) The drawing up and the carrying out of general measures

for the development of trade relations between the Union and foreign countries in the interests of the Union as a whole as well as of its Constituent Republics.

(b) The elaboration of an export and import plan for the U.S.S.R.

(c) The application of export and import plans and the supervision of transactions connected with foreign trade irrespective of whether such trade is carried on by special commercial, central, local, or foreign organizations of the People's Commissariat for Foreign Trade, or by joint-stock and other companies for purposes of foreign trade.

(d) To deal with questions relating to Customs policy, as well as the administration of the Customs of the U.S.S.R.

(e) The participation in the delegations of the U.S.S.R. at International congresses and conferences for the conclusion of commercial treaties and agreements relating to foreign trade as well as the participation in the discussion of questions to be submitted to such congresses and conferences.

(f) The discussion of regulations for placing various branches of foreign trade on a concession and joint-stock company basis, as well as the organization of mixed and other companies and institutions in connection with foreign trade.

(g) To advise the Chief Concession Committee regarding questions of the registration of foreign firms which are soliciting permission to carry on business in the territory of the U.S.S.R.

(h) The regulation of the export-import activities of institutions, organizations, and persons carrying on foreign trade; the general control and supervision of all such foreign trade operations, the supervision of exact and proper execution of all rules and regulations relating to the monopoly of foreign trade.

(i) To work out all questions securing the interests of foreign trade in connection with sea, river, railway and air transport, insurance, warehousing and bills of lading transactions and their co-ordination with their respective organizations.

(j) The control of the activity of commercial ports which are within the jurisdiction of the People's Commissariat for Foreign Trade.

## **The Composition of the People's Commissariat for Foreign Trade**

The Commissariat for Foreign Trade is composed of the People's Commissary and his Collegium, the Secretariat and seven Administrative Boards.

(a) The People's Commissary and his Collegium direct the general management of foreign trade as a whole and decide all the most important questions in connection with the foreign trade of the Union.

(b) The Secretariat has to conduct the office routine correspondence on behalf of the People's Commissary with other departments of the Union. The Secretariat has also to supervise the execution by the Administrative Boards and the organizations of the Commissariat for Foreign Trade of instructions issued by the Chief State Departments of the U.S.S.R., the People's Commissary, the Collegium of the Commissariat for Foreign Trade, etc.

The following are the duties of the seven Administrative Boards :—

(c) The General Administrative Board conducts the general business of the Commissariat, it keeps staff records, inspects and organizes local departments, attends to the business requirements of the Commissariat for Foreign Trade, conducts publicity work in connection with all questions of foreign trade, etc.

(d) The Administrative Board dealing with trading concerns and institutions gives general direction to the activities and co-ordinates the plans of operation of all concerns and institutions working with State capital provided by the Commissariat for Foreign Trade (State trading agencies, joint-stock companies and commercial departments of Trade Missions). This Board controls—within legal limits—the capital and material funds of the Commissariat for Foreign Trade, assigned for commercial purposes ; it also controls the income from contracts signed by the People's Commissary for Foreign Trade, as well as the profits derived from other trading concerns and establishments under the control of the Commissariat for Foreign Trade.

(e) The Board of Regulation gives the various departments

of the Commissariat for Foreign Trade guiding instructions on all questions of foreign trade policy and on the regulation of foreign trade, it draws up the import and export programme of the U.S.S.R. which is to be submitted through the State Planning Commission to the Council of Labour and Defence for ratification, it supervises the execution of the programme when ratified, fixes in consonance with the respective departments, the nomenclature and standards of export and import commodities, works out the quotas of export and import commodities and presents them for ratification to the Council of Labour and Defence among the commercial organizations and the various countries. It also issues export and import certificates and licences, regulates the export and import activities of all institutions, departments and persons engaged in foreign trade, supervises the exact execution of all legislative resolutions and regulations relating to the foreign trade monopoly, and organizes the participation of the U.S.S.R. at International exhibitions, etc.

(f) The Economic-Juridical Board participates in the drawing up of trade agreements with foreign countries, investigates the home and foreign markets, studies the import and export possibilities of the U.S.S.R. and works out measures for assisting the development of Soviet export industry. It works out the principles of customs policy, discusses questions concerning concessions and joint-stock companies affecting separate branches of foreign trade, collects foreign trade statistics, gives information and advice on questions relating to the foreign trade monopoly, conducts the preliminary negotiations in regard to the granting of foreign trade concessions, gives advice on questions of registration of foreign firms seeking permission to carry on business on the territory of the Soviet Union, expresses its views on all juridical problems, co-ordinates the legislation on foreign trade, conducts litigation, particularly in respect of the infringement of the foreign trade monopoly, etc.

(g) The Financial-Accounts Board deals with general questions of the finance policy of the Commissariat for Foreign Trade, carries out financial transactions of the Commissariat for Foreign Trade, etc.

(h) The Transport Board deals with all measures concerning the development of foreign trade in the sphere of sea, river, railway and air transport, insurance warehousing and other operations, it directs the activity of commercial ports within the jurisdiction of the Commissariat for Foreign Trade, participates in the drawing up and execution of foreign conventions and understandings relating to matters of transport.

(i) The Chief Customs Board organizes and conducts customs institutions, participates in the elaboration of foreign agreements and conventions, especially those relating to customs. It works out a Customs Tariff, supervises the execution of measures taken to prevent smuggling. It also supervises the execution of all customs and allied laws, keeps a record of Customs statistics, etc. In addition there is a Customs Tariff Commission in connection with the Commissariat for Foreign Trade, which consists of representatives of various economic departments and which decides fundamental questions on Customs Tariffs affecting not only the Commissariat for Foreign Trade but also other economic departments; there is also an Inter-Departmental Commission composed of representatives of interested departments for the preliminary discussion and preparation of trade agreements and, finally, a central Committee to prevent smuggling.

### **The Local Departments of the Commissariat for Foreign Trade**

The Commissariat for Foreign Trade has three local departments :—

A. The Official Representatives of the Commissariat for Foreign Trade at the Council of People's Commissaries of the constituent Republics of the Union.

The rights and duties of the Official Representatives are defined by the General Regulation concerning the Commissariats of the U.S.S.R.

All the agencies and departments of the Commissariat for Foreign Trade on the territory of the Republics of the Union are subject to the control of the Official Representatives of the Commissariat for Foreign Trade at the Union Republics.

The Official Representatives deal with all the money and

material funds on the territory of the Union Republics which have been placed at their disposal for the transaction of foreign trade, by the Commissariat for Foreign Trade and by the Government of any of the Republics.

The Official Representatives of the Commissariat for Foreign Trade at the Councils of the People's Commissaries of the Republics of the Union act through their respective boards.

The Official Representatives in each of the Republics are charged with the following duties :—

(a) The investigation of the home and foreign markets, export and import possibilities, as well as the drawing up of measures to facilitate the development of the exports of the Republic to which they are delegated.

(b) To draw up export and import plans for their Republic, and to come to an understanding regarding such plans with the Government of the corresponding Republic. They must present their plans to the Commissariat for Foreign Trade, and are responsible for their realization.

(c) The supervision of the foreign trade operations of all the establishment departments and persons on the territory of the Republic.

(d) The supervision of the exact execution of the Laws and Decrees concerning foreign trade and the safeguarding of the monopoly of foreign trade.

(e) The issue of licences and certificates for the import and export of goods within the limits of the quotas authorized by the Commissariat for Foreign Trade governed by the general export and import plan established for the U.S.S.R. They also issue licences and certificates for the export of goods not subject to limitations of quantity.

(f) The control of the activity of mixed companies within the territory of the Republic.

(g) The preliminary discussion of questions concerning matters in connection with the granting of concessions and the formation of joint-stock companies for carrying on particular branches of foreign trade.

(h) To give advice on questions concerning foreign trade.

(i) The execution of all instructions and orders of the Commissariat for Foreign Trade. Similar official repre-

## RUSSIA

representatives are also appointed in certain regions of the R.S.F.S.R.

B. The Trade Missions of the U.S.S.R. abroad are organizations of the Commissariat for Foreign Trade and form at the same time a part of the respective Official Missions of the U.S.S.R. of which they are members.

The Trade Missions of the Union abroad are appointed and may be recalled by resolution of the Council of People's Commissaries of the U.S.S.R. on the recommendation of the Commissariat for Foreign Trade in agreement with the Commissariat for Foreign Affairs.

At the Trade Missions in countries of special interest to any Union Republic, a representative of the said Republic is appointed. For example, at the Trade Mission in London there are representatives of the Ukrainian S.S.R. and of the White Russian S.S.R. At some Trade Missions the Economic Conferences, Commissariats and certain other central institutions are likewise represented. These representatives are empowered to transact through the intermediary of the Trade Mission, export and import operations in the interest of their respective Republic or district.

The Trade Missions of the U.S.S.R. abroad have the necessary machinery for carrying out their duties, consisting of two parts, regulating and commercial. The regulating duties of the Trade Mission are :—

(a) To report on the general economic position of the country to which the trade mission is accredited.

(b) To study the local market and to supply information.

(c) To control the activity of mixed companies abroad.

(d) To supervise the execution of trade agreements between the U.S.S.R. and the country to which the mission is accredited. They also participate in the drawing up of new agreements and understandings.

(e) To superintend the trading activity in the given country of all the departments, establishments and citizens of the ~~U.S.S.R.~~ U.S.S.R., including the commercial section of the Trade Mission.

The duties of the commercial section of a Trade Mission, as well as the question of commercial activity, in regard to foreign trade of the U.S.S.R. will be considered at a later stage. The

Trade Agencies of the U.S.S.R. abroad are appointed by the Commissariat for Foreign Trade and are responsible to the latter either directly or through the Trade Missions of the U.S.S.R.

Trade Agencies are established within the territory of foreign countries with which normal political relations have not yet been resumed. The functions of Trade Agencies are in every particular case defined by the Commissariat for Foreign Trade. In most cases, the functions with which they are entrusted are those of regulation, but in countries where political circumstances permit, they also carry on commercial activities.

C. *Customs*.—At the head of the Customs regions are officers whose appointment and recall rests with the Commissariat for Foreign Trade in agreement with the Council of People's Commissaries of the Union Republics. The Customs regions comprise the Customs Houses of the first, second and third category, and also the Customs Posts. The duties of the local Customs institutions are :—

To receive and to safeguard goods at Customs warehouses.

To inspect goods and to determine the Customs rates applicable to them.

To supervise the transport of goods for export, coastal trade and transit.

To release goods to the consignee.

To receive postal parcels, letters and printed papers, packets and transmit them to postal establishments, to be handed out to the proper party.

To protect depots.

To take measures for the prevention of smuggling, etc.

Customs Houses of the first category are set up at railway stations and at ports where there is a large movement of goods and where there is considerable activity. Customs Houses of the second category are set up alongside rivers, lakes, small seaports and main roads. All goods (except those the export and import of which are prohibited) and international postal packets, may be conveyed through the Customs Houses of the first and second category. Passengers and passenger luggage may also pass through them. Customs Houses of the third category are set up along roads. Through such



Customs Houses may be conveyed ordinary goods which do not require expert examination. Through the Customs Posts can pass passengers, food-stuffs and other goods in accordance with the rules laid down by the Customs Administration Office of the Commissariat for Foreign Trade.

### Organizations, etc., Conducting Foreign Trade in the U.S.S.R., their Rights and Duties

In respect of the scope and character of the rights for carrying on foreign trade in the Soviet Union, the following groups have to be distinguished :—

The Commercial Organizations of the Commissariat for Foreign Trade :—Gorstorg (State Trading Agency), Commercial Sections of Trade Delegations and Trade Agencies.

The State Economic Enterprises, and the State Institutions which enjoy the right of trading on the foreign market.

The banks and credit establishments.

The co-operative organizations.

The joint-stock companies founded for purposes of foreign trade.

Foreign firms.

Other State institutions and enterprises, public bodies and private persons.

## 1. THE COMMERCIAL ORGANIZATIONS OF THE COMMISSARIAT FOR FOREIGN TRADE

### A. *State Import-Export Offices*

These offices—Gorstorgs—are organized in every Union Republic. They enjoy the rights of juridical persons, and work under the direction and control of the accredited representatives of the Commissariat for Foreign Trade at the Council of People's Commissaries of the Union Republics and under the general direction of the Administration for Trading Concerns of the Commissariat for Foreign Trade. The State Trading Offices carry on their operations exclusively on the territory of the Union Republics. The functions of these

offices at the present time are almost entirely directed to storing operations, chiefly of raw materials and food-stuffs. The State Trading Concerns have the right to transact export and import operations. On the foreign market they carry on such operations through their representatives who are attached to the Trade Delegations, taking care at the same time to preserve their own interests. The right to transact commercial business independently is only granted to the State Trading Concerns in exceptional cases.

*B. Commercial Sections of Trade Delegations of the U.S.S.R. in Foreign Countries*

These Commercial Sections execute the programmes of the Commissariat for Foreign Trade for export from the U.S.S.R. to the country to which the Trade Delegation is accredited, and for import into the U.S.S.R. from that country. They transact trade-commission operations on the instruction of the Commercial Sections of the Commissariat for Foreign Trade, of State establishments and concerns, of co-operative societies, public, and private enterprises and persons to whom permission has been given to transact import and export operations. The Commercial Section of a Trade Delegation is, in its commercial activity, subject to the control of the Administration for Trading Concerns of the Commissariat for Foreign Trade, through the Trade Delegation. The Commercial Sections of Trade Delegations conduct their operations exclusively within the limits of the country to which they are accredited. The transaction of business in any other than the accredited country can only take place either through the respective Trade Delegation of the other country, or by special permission of the Commissariat for Foreign Trade.

*C. Trade Agencies*

These carry on commercial activity only in countries where political circumstances permit it. In such cases the business of Trade Agencies is to execute trade-commission operations on the instruction of the Commercial bodies of the Commis-

sariat for Foreign Trade, of State institutions and concerns, of co-operative societies, public and private enterprises, and persons. (Regulations concerning Trade Agencies has been ratified by the People's Commissariat for Foreign Trade, March 31, 1924.)

## 2. THE STATE ECONOMIC ENTERPRISES AND STATE INSTITUTIONS

### A. *State Economic Enterprises*

These Enterprises enjoy the right to carry on independent transactions of export or import of those classes of goods in accordance with the special Regulation. (Article 6, Regulation of the All-Russian Central Executive Committee and the Council of People's Commissaries, April 12, 1923.) State Economic Enterprises may sell abroad only articles of their own manufacture, and purchase abroad only commodities which they require for their own production (and for the supply of their workers). They are not permitted to re-sell the goods which they purchase. Only in exceptional cases the Commissariat for Foreign Trade can grant to State Economic Enterprises the right to export goods not of their own manufacture. With the permission of the Council of Labour and Defence the sole right to purchase certain commodities abroad for import can be granted to certain State Producing Enterprises which are the exclusive consumers of the said commodities. State enterprises have the right to transact on the foreign market commission business relating to the import and export of goods. Such transactions can only be permitted by the organization of the Commissariat for Foreign Trade, if the latter is not in a position to carry it out through their own agency. The State Economic organizations conduct their transactions abroad in the following manner: The State Economic organization must inform either the Commissariat or the Trade Delegation in regard to every transaction proposed, and it has the right to commence negotiations if it received, in the course of forty-eight hours, no objection from the latter in respect of the proposed transaction. When the negotiations are concluded the organization

is bound to communicate to the Trade Mission the conditions on which the transaction has been concluded. The Trade Delegation has the right to prohibit every proposed transaction, only within a definite period after the receipt of this information, namely forty-eight hours for goods quoted at the Exchange, and five days in respect of other goods. A prohibition may be imposed because of the unsuitability of the proposed transaction to the general State economic plan, for political considerations, or as a result of the commercial disadvantage of the proposed transaction, but in the latter case, the Trade Delegation which imposed a prohibition on the transactions proposed by the organization is bound to offer to the latter not less advantageous terms for realizing a similar transaction with another firm, or offer credit under export goods. For the conclusion of a long term commission agreement abroad the representatives of State Economic organizations must receive, in addition to the consent of the Trade Delegation, the permission of the Central organization which delegated them, in agreement with the Commissariat for Foreign Trade. The representatives of the Economic organizations abroad conclude all their transactions in the name of the organization they represent. The transactions carried through by the representatives of the Economic organization are binding only on the Economic organization concerned. The responsibility of the latter is limited by the extent of their property, by which is meant property of which they freely dispose (Civil Code, Articles 19, 21, 22), i.e., property which is working capital. The State as a whole, the People's Commissariats, and particular departments to which the Economic organizations are subordinated, and if in their name transactions were not carried through, bear no real or additional responsibility for the transactions of the Economic organizations. In agreements concluded by State organizations abroad it is obligatory that a clause be inserted, whereby the other contracting party may present claims, that might arise from transactions exclusively to the given State organization in the name of which the transaction has been concluded, and repudiating any claims on the State or on other Economic organizations and establishments in the name of which the

transaction has not been made. (Note to Clause 5. Registration of the All-Russian Central Executive Committee and the Council of Peoples Commissaries, October 16, 1922.) All the financial resources of State Economic organizations abroad are in the current accounts of Trade Missions. Representatives of State organizations and enterprises who have obtained the right to enter the foreign market are forbidden to carry on negotiations in respect of concessions, and generally, in respect of attracting foreign capital in the U.S.S.R. without a special permission to that effect from the Head Concession Committee at the Council of People's Commissaries of the U.S.S.R. or of its representative abroad.

*B. State Institutions having Representatives at the Trade Missions Abroad*

The rights of the State Institutions, which are entitled to have special representatives or agents at the Trade Missions, are defined by the decree of the All-Russian Central Executive Committee and the Council of People's Commissaries of April 12, 1923, Article 5. The representatives of the State Institutions cannot conclude independent transactions in their own name. Transactions for any given institution are carried out on its behalf through the intermediary of the Trade Delegation, and in the latter's name, although the representative of the State Institution may conduct trade negotiations with foreign firms. While the State does not accept responsibility for transactions of State Enterprises, which have been permitted to enter the foreign market (see Section A), such responsibility is accepted in regard to transactions of State Institutions. The following State Institutions have a right to appoint representatives to the Trade Delegations, the Economic Councils of the Soviet Republics, the Regional Economic Councils, the People's Commissariats, and certain other central institutions. The right to have a representative at the Trade Delegations has been granted to the above-named organizations in order to enable them to carry out export operations, which are necessary for satisfying the needs of the respective republics or districts.

*List of State Institutions (Gorstorgs) which have Representatives on the Staff of the Trade Delegations of the U.S.S.R. Abroad.*

(In accordance with Chapter I, Article 5, decree of the All-Russian Central Executive Committee and the Council of the People's Commissaries of April 12, 1923, "concerning Foreign Trade" (Code of Laws, 1923, No. 31, Article 343), Paragraph (b), Article 1, Chapter I, Instruction of the Council of Labour and Defence of April 18, 1923, concerning the application of the decree on foreign trade of the All-Russian Central Executive Committee and the Council of People's Commissaries of April 12, 1923 (Code of Laws, 1923, No. 32, Article 359).

*Relevant Legislation.*—No. 1, Article 5. Decree of the All-Russian Central Executive Committee and of the Council of People's Commissaries of April 12, 1923, Paragraph (b), Article 1, Chapter I, instructions concerning the application of the decree of the All-Russian Central Executive Committee and the Soviet Council of People's Commissaries on Foreign Trade of April 12, 1923 (Code of Laws, 1923, No. 31, Article 343, No. 32, Article 359).

No. 2, Article 5. Decree of the All-Russian Central Executive Committee and the Council of People's Commissaries of April 12, 1923 (Code of Laws, 1923, No. 31, Article 343).

No. 3, Article 25. Position of the People's Commissariat for Foreign Trade of the U.S.S.R. ratified by the Central Executive Committee of the U.S.S.R., November 12, 1923 (see above Article).

No. 4. Rules about the representatives of the Supreme Economic Council at the Trade Delegations of the U.S.S.R. abroad. (Order by the People's Commissariat for Foreign Trade, March 30, 1923, No. 59).

No. 5. Order by the People's Commissariat for Foreign Trade, November 17, 1923, No. 58.

*Organizations.*—No. 1, Article 5. Central State Administrative Institutions (People's Commissariats and other central organizations) by special decree of the Council for Labour and Defence.

No. 2, Article 5. Local State Administrative Institutions (Economic Conference of the Transcaucasian Federation, of

the Urals, Siberia, South-East and North-West Regions and Moscow).

No. 3, Article 25. Union Republics.

No. 4. The Presidium of the Supreme Economic Council based on a special agreement of the People's Commissariat for Foreign Trade with the Presidium of the Supreme Economic Council.

No. 5.—Chief Electricity Board.

*Powers.*—No. 1, Article 5. Have a right to transact import and export operations through their representatives accredited to the Trade Delegations.

No. 2, Article 5. The right to transact import and export operations through the accredited representatives to the Trade Delegations of the People's Commissariat for Foreign Trade of the Union Republics at the Trade Delegations.

No. 3, Article 25. They may appoint representatives in the regulating departments of the Trade Delegations in agreement with the People's Commissariat for Foreign Trade and the Council of People's Commissaries of the Union Republics. Trade Delegations which have a Council become members of same.

No. 4. Appoints accredited representatives to the Trade Delegations of the U.S.S.R. in Berlin, London and Riga (for the Baltic provinces).

No. 5.—Appoints a representative to the Berlin Trade Delegation.

#### C. *Banks and Credit Institutions*

The State Bank and other Credit Institutions financing in accordance with their statutes export-import operations, have the right—(a) To sell abroad exported goods, which they hold as a security, in case these goods have not been sold and the loan refunded by the owners at the time of expiration of the term in which the loan has been advanced; (b) To sell abroad goods allocated for import into the U.S.S.R. on which a loan has been granted, if for any reason it is impossible to import same, and if they have not been cleared by the borrower or Trade Delegation within a week after it become known that the import would not take place; (c) To transfer the lien on goods to foreign banks. (Decree of the Council for Labour and Defence of April 4, 1923.)

#### D. *Co-operative Societies*

The Co-operative Societies, as a rule, carry on export and import transactions in accordance with the previously granted permission of the People's Commissariat for Foreign Trade. Two sections of the co-operative societies are exempt from this rule: (a) To the first belong the Centrosoyus and other co-operative societies holding an equivalent place in regard to foreign trade, Selskosoyus (Decree of the Council for Labour and Defence of May, 1923. Code of Laws, 1923, No. 42, Article 453), Ukrainian Co-operative Societies (Decree of the Council for Labour and Defence of February 15, 1924), and the All-Ukrainian Co-operative Wholesale Society "Vukospilka" (Decree of the Council for Labour and Defence, March 5, 1924). The Centrosoyus (and consequently, also all other co-operative societies holding an equivalent position in regard to foreign trade) is entitled to transact export-import operations with foreign national co-operative unions. The above-mentioned co-operative organizations of the U.S.S.R. have representatives abroad for the transaction of foreign trade operations, also these co-operative societies have a right to carry out export-import operations with private firms and concerns, on the same basis as the State Economic organizations of the U.S.S.R. which have a right to conduct transaction on the foreign market. (See above, B (a).) (b) The second group of co-operative societies, Vsekompromsoyus, Vsekoles, who have been allowed to have representatives in the Trade Delegations for the carrying on of export and import operations, enjoy the same rights of representation on the Trade Delegation as the State Institutions. (See above, B (b).)

#### *List of Co-operative Organizations enjoying Special Rights for the Transaction of Import and Export Operations*

*Relevant Decrees.*—1. (a) Decree of the Presidium of the All-Russian Central Executive Committee of March 13, 1922 (Code of Laws, 1922, No. 24, Article 266). Order of the People's Commissariat for Foreign Trade, August 1, 1922, No. 6262. Decree of the All-Russian Central Executive Committee and the Council of People's Com-



16, 1922 (Code of Laws, 1922, No. 65, Article 466, note to the Decree 7).

(b) Decree of the Council for Trade and Defence, October 19, 1923.

2. Decree of the Council for Trade and Defence, May 9, 1923 (Code of Laws, 1923, No. 42, Article 453).

3. Decree of the Council for Trade and Defence of the U.S.S.R., October 19, 1923.

4. Agreement between the People's Commissariat for Foreign Trade and the All-Russian Industrial Co-operative Society, October 16, 1922.

5. Agreement between the People's Commissariat for Foreign Trade and the All-Russian Timber Co-operative Society.

6. Decree of the Council for Trade and Defence of the U.S.S.R., February 15, 1924.

7. Decree of the Council for Trade and Defence, March 5, 1924.

*Organizations.*—1. (a) Centrosoyus. 2. Selskosoyus. 3. Lnocentre. 4. Vsekompromsoyus. 5. Vsekoles. 6. The Foreign Committee of the All-Ukrainian Union (Ukrkoop) formed by the Vukospilka, Selsky Gospodar and the Ukrainian Bank. 7. Vukospilka.

*Powers.*—1. (a) Special representatives abroad entrusted with the transaction of direct operations with the consumers of the co-operative unions under the control of the Trade Delegation.

1. (b) The right to transact export operations in flax, tow, hemp and similar raw materials.

2. Export and import operations on the foreign market with equal rights as Centrosoyus.

3. The right of transacting export operations in flax, tow, hemp and similar raw materials.

4. Appoints representatives accredited to the Trade Delegation.

5. Appoints representatives assigned to the Trade Delegation.

6. Have the right to transact import and export operations on the same basis as Centrosoyus.

7. The right to carry out import and export operations on the same basis as Centrosoyus.

*E. Joint-Stock Companies*

On a level with the above-mentioned organizations carrying on commercial operations there must be specially mentioned the Joint-Stock Companies, which are becoming of greater and greater importance in the Foreign Trade of the Soviet Union. The organization of these companies is determined by Article 2 of the Decree of the All-Russian Central Executive Committee, March 13, 1922. In accordance with this decree, the People's Commissariat for Foreign Trade organizes, with ratification by the Council for Labour and Defence, special joint-stock companies, Russian companies (i.e. with foreign capital only), and combined or mixed companies (i.e. with Russian and foreign capital). The joint-stock companies, whether they are mixed companies or State organizations and enterprises exclusively, are subject to the Civil Code, with the rights of private organizations. (Decree of the plenary session of the High Court of U.S.S.R., November 3, 1923.) In virtue of this decision foreign trade operations of the above-mentioned joint-stock companies are subject to the same rules as private enterprises, i.e., they have previously to obtain a separate permission for the transaction of each foreign operation. In addition to these general rules, the rights and duties of each company are separately defined by the corresponding statute of the respective company, in which some deviation from the general rules may be admitted, for example, some of the joint-stock companies obtained the right to transact foreign operations for the export of products of home industries, as well as flax, tow, hemp, and similar raw materials, subject to the regulations defined for organizations entitled to enter the foreign market. (Decree of the Council for Trade and Defence, April 27, and October 19, 1923.—Code of Laws, 1923, No. 37, Article 394).

In those cases where foreign capital participates in the company, the statute of the company can only be ratified on the basis of a concession, i.e., by the Council of People's Commissaries, through the Chief Concessions Committee. (Article 4, Paragraphs (d) and (e), Decree of the All-Russian Central Executive Committee and the Council of the People's Commissaries, March 8, 1923).

*Joint-Stock Companies for Foreign Trade with Special Rights in the Transaction of Export and Import Operations*

*Decrees.*—1. Decree of the Council for Trade and Defence of April 27, 1923 (Code of Laws, 1923, No. 37, Article 394).

2. Decree of the Council for Trade and Defence of U.S.S.R., October 19, 1923.

3. Decree of the Council of People's Commissaries, April 28, 1923 (Code of Laws, 1923, No. 96, Article 945).

*Organizations.*—1. Khleboprodukt. 2. Lnotorg. 3. Exportkhib.

*Powers.*—1. The right to carry on export operations of agricultural produce, flax, tow, hemp, and similar raw materials.

2. The right to carry on export operations in flax, tow, hemp and similar raw materials.

3. Monopoly to export abroad all kinds of grain and oil seeds either as raw materials or as manufactured articles.

*F. Foreign Firms*

The rights and duties of foreign firms for trade operations in the territory of U.S.S.R. are established by a Decree of the All-Russian Central Executive Committee and the Council of People's Commissaries of April 12, 1923. In accordance with this decree foreign firms may carry on trade operations in the territory of the U.S.S.R. and open offices, branches, agencies, etc., only on the basis of a concession, i.e., with the permission of the Chief Concessions Committee. State Institutions under the jurisdiction of State Enterprises, co-operative organizations, private concerns, and private persons are allowed to carry on foreign trade within the boundaries of the Soviet Union, provided they observe the established laws about foreign trade, only with firms which have received permission. Persons who are in the service of the Soviet Union are forbidden to accept any agency whatsoever for foreign firms or organizations. Citizens of the Soviet Union who are not Civil Servants may accept an agency for transaction of foreign trade operations only from such firms which have received a concession. The rights and duties of foreign firms are defined in greater detail in the instruction for the carrying

out of the Decree of the All-Russian Central Executive Committee and the Council of the People's Commissaries of April 12, 1923. The following are the chief provisions of this instruction :—

1. By "foreign firms" mentioned in this instruction are to be understood individual or collective associations, joint-stock companies founded outside the R.S.F.S.R. and the other Union Republics, which have legally registered their trade activity.

2. Foreign firms wishing to conduct trade operations or to open offices, agencies, etc., in the R.S.F.S.R. or other Union Republics must send in the required application with the appropriate stamps, to the People's Commissariat for Foreign Trade, furnishing the following information : (a) The name of the enterprise, its administrative bodies, sphere and place of activity. (b) Date of establishment of the enterprise and proof of its legal existence in the country where situated. (c) Date and place of confirmation or registration of the statutes or articles of association on the basis of which the enterprise acts in the country where situated. (d) Period of existence of the enterprise if such a period has been defined in the statutes or articles of association. (e) Share capital of the joint-stock company or limited liability company to which the enterprise belongs and the actual amount of paid-up shares. (f) General information whether the concern has had commercial relations with Russia in pre-war days and prior to 1917, and if so, in which region and with which firms. (g) Information as to any commercial relations with the R.S.F.S.R. and Union Republics (or with their trade representatives abroad) after 1917, and if so, names of these. (h) The proposed commercial operations of the company (export, import or home trade), region of activity, nature of merchandise, proposed trading machinery, scale of proposed activity, amount of capital to be invested in the business and whether trade is on own account or on commission. (i) Whether the concern intends to give the agency for selling its goods to a State organization, and if so, approximately on what terms, or whether it intends to give the agency to some private person, in which case it is necessary to give the

surname, christian names and address of the person appointed.

*Note.*—Foreign firms may present, besides the above-mentioned obligatory particulars, other documents explaining the character of their enterprise.

3. All the particulars mentioned above under the heads (a) and (c) must be supported by documents enclosed with the application (statutes of the joint-stock companies, trade agreements of the association, extracts from the trade register, etc.). These documents must be presented with copies, witnessed in the prescribed form by the accredited foreign organs of the R.S.F.S.R. Moreover, the concerns obliged to give a public account, must present a copy of the balance sheet and an account of the last operating period signed by an incorporated accountant, or Commissioner for Oaths.

4. All the documents enumerated in Article 1 of these instructions are sent to the People's Commissariat for Foreign Trade in three copies, verified by the concerns themselves.

5. The representatives of foreign firms, acting on behalf of the concern, are obliged to present a power of attorney, viséd at the Trade Delegation when making the application.

6. Not later than within the month, after all the documents have been presented, the People's Commissariat for Foreign Trade must give its judgment and reasons therefor, and all the documents with the resolution are sent to the Chief Concessions Committee, which examines them in its general routine.

7. The permission is granted for a definite period, from one to three years. If the firm desires to extend the term of the granted permission, a corresponding application has to be made two months before the expiration of the period to the People's Commissariat for Foreign Trade.

*Note.*—If the firm does not receive a reply at the expiry of the permit then the same remains automatically in force until the firm receives the reply to its application.

8. If the firm does not start its activity within three months from the time a permit has been granted, the latter loses its validity.

9. A foreign firm receiving a permit to transact business

operations in the R.S.F.S.R. and the Union Republics, is obliged to have a permanent representative, branch offices, etc., in the places named in the permit, at the head being a representative with power of attorney, having a permanent domicile in the territory of the R.S.F.S.R. or in the Union Republics.

The designated person must be invested with full powers in representing the firm in regard to the R.S.F.S.R., the Union Republics, and private persons, in all legal and non-legal affairs, which may arise out of the activity of the firm on the territory of the R.S.F.S.R. and the Union Republics; bearing the responsibilities of an attorney, based on the trade operations of the firm transacted in the territory of the R.S.F.S.R. and the Union Republics.

*Note.*—In case of temporary absence of the representative, the latter must have the right, and is obliged, to transfer his full power to a substitute.

10. Each foreign firm operating in the territory of the R.S.F.S.R. and the Union Republics is obliged to submit to the existing laws and decrees of the Government of the Soviet Union, particularly to the laws and decrees on State control of the activity of commercial and industrial enterprises, the protection of workers and employees, taxation and registration, and publicity of its accounts.

11. The firm is answerable for its activities in the R.S.F.S.R. and the Union Republics with all its movable and immovable property, wherever such is to be found.

*Note.*—The property belonging to the firm and the profits accruing out of the operations in the R.S.F.S.R. and the Union Republics must be used, in the first place, to satisfy the claims arising from the operations of the firm in the R.S.F.S.R. and the Union Republics.

12. The concession to carry on operations in the territory of the R.S.F.S.R. and the Union Republics loses its force :  
(a) At the expiration of the period for which the concession was granted. (b) If the firm ceases to exist abroad. (c) If the firm does not fulfil the obligations under which it was permitted to operate in the territory of the R.S.F.S.R. and the Union Republics.

The foreign firms registered in the instruction can be members of the Chamber of Commerce and the trading exchanges (Circular of the Commissariat for Internal Trade, August 1, 1923).

To the above it must be added, that the firms, the activity of which has been admitted by ratification of the Government, by a concessional agreement or by some other special legal arrangement, do not need any further registration (Circular of the People's Commissariat for Justice, September 7, 1923).

G. *Other State Institutions and Enterprises, Public Organizations and Private Persons*

To this section belong all the State institutions, enterprises, and public organizations which did not come under any of the above-mentioned groups and private firms. They can all conclude foreign trade operations, but only with previous permission of the People's Commissariat for Foreign Trade for each business transaction separately, on the established basis. Moreover, they may sell their merchandise to the trade operating organs of the People's Commissariat for Foreign Trade, which can realize the same on a commission basis, and generally give to the People's Commissariat for Foreign Trade commission orders. They can send abroad their representatives with the permission of the People's Commissariat for Foreign Trade to co-operate technically with the organs of the People's Commissariat for Foreign Trade in the export and import operations. As a rule those who receive a licence for the export and import of goods, have to execute the export and import operations through the machinery of the Trade Delegation, but if they should have more advantageous propositions from private firms, they have the right to conclude the transaction independently, but with the permission of the Trade Delegation, and the transaction has to be confirmed by the latter. (Decree of the Council of People's Commissaries, April 12, 1923, concerning licences and certificates for export and import to the Continent, and Instructions of the Council for Trade and Defence, April 18, 1923.)

## General Methods of Regulation of Foreign Trade Operations

### A. *Plan and Quota of Export-Import Operations*

The regulation of the export-import operations of the U.S.S.R. as regards quantity, nomenclature, and quality of the goods is drawn up every year by the People's Commissariat for Foreign Trade according to the programme, and confirmed by the Council for Labour and Defence. The quota of the basic article for import and export are fixed quarterly. Out of the planned quota, the People's Commissariat for Foreign Trade assigns a suitable part for realization at the disposal of its agents in the different regions of the R.S.F.S.R. and the Union Republics ; moreover, the People's Commissariat for Foreign Trade and its authorized agents divide the quota put at their disposal among the State producing institutions, co-operative organizations, mixed companies, and other bodies, which have the right to transact foreign trade export or import operations for the U.S.S.R. and which defines approximately in which countries the imported goods are to be bought and where the exported goods should be sold, i.e., it allots the quota to the various Trade Delegations. The above-mentioned bodies which receive a definite part of the quota are responsible to the State for the exact fulfilment of these obligations, and in case of default they are subject to a monetary penalty in accordance with the special decrees of the Council of Labour and Defence.

### B. *Regulations for Granting Import and Export Licences*

Certificates and licences are granted for carrying out import and export operations. Certificates are granted to the organs which have the right to carry out direct operations on the foreign market in those cases where the proposed import and export refers to goods for which permit was granted. In all other cases licences are issued. Certificates and licences for export and import for the quota and for the export of goods not coming under the quota are issued by the People's Commissariat for Foreign Trade and by their local agents in the districts and Republics and also by the Trade Missions abroad.



The Trade Delegations issue licences only for the import of specified goods, and only in exchange for licences granted by the People's Commissariat for Foreign Trade, and its local authorized agents. Certificates and licences for the import of commodities not specified but not prohibited to be imported, are exclusively issued by the People's Commissariat for Foreign Trade. Persons wishing to obtain a licence apply to the appropriate department (licence office) of the organization mentioned, which have power to grant licences, stating precisely the quantity and nature of the merchandise, terms of purchase or sale, and price. If any agreement exists, this has to be enclosed. Each licence issued must state in detail the kind of goods admitted for import, enclosing a detailed approved specification, if the nature of the admitted goods demands it. The licences obtained must be utilized through the appropriate Trade Delegation. Should the holders of licences receive more profitable propositions from private foreign firms than those made by the Trade Delegation, they have the right to make use of such private offers under the control of the Trade Delegation. Goods bought abroad, on the basis of a licence or of certificate, are imported into the territory of the U.S.S.R. on the basis of documents issued by the Trade Delegation in exchange for certificates and licences. (Every misuse of certificates and licences is punishable in accordance with Articles 136 and 97 of the Penal Code, and, where officials are concerned, also by Articles 105 and 110 of the same Code.)

The institutions mentioned above which have the right to issue licences, grant them only for the import and export of trade articles. All applications concerning the import and export of personal property must be submitted to the Chief Central Customs Department, or to the local Customs House authorities within the limits of their competence, at the place where the application is made, in accordance with the Customs regulations in force for property belonging to private persons going abroad. The export of personal property belonging to repatriated persons, refugees, or people who adopted foreign nationality is regulated by an appropriate understanding with the foreign State. Applications of citizens of the U.S.S.R.

regarding the import of personal property from abroad must be submitted to the local Trade Delegation; in exceptional cases, if documents are at hand proving that the application is justified, the latter may be submitted directly to the Customs officials, when crossing the frontier.

Applications of State, Co-operative, and other organizations, as well as of private persons, for export of samples of various articles, are examined by the Customs officials; the quantity and nature of these samples to be imported is determined by the Chief Customs Authorities and the State Planning Commission of the People's Commissariat for Foreign Trade. The export of goods for consumption in excess of the normal requirements of an individual person, may be permitted by the local Customs authorities, on condition that export only occasionally takes place. Parcels from abroad, for other than trade purposes, are permitted to pass under the following conditions :—

- (a) The same firm does not send numerous parcels, though in each instance the separate parcels are for personal use.
- (b) The parcels do not contain objects, the export or import of which is prohibited.

It is important to note that the licence offices grant permits only prior to the postage of the parcel, but in no case afterwards, i.e., on arrival of the parcel, and therefore trade parcels, for which no licence has been granted, are sent back. All goods, exported or imported, belonging to private persons or enterprises are subject to licence duty, amounting to 2 per cent. of the value of the goods. Goods belonging to companies exclusively financed by State Capital, and goods of philanthropic character addressed to specially registered philanthropic organizations, are treated in a manner similar to goods belonging to the State and co-operative organizations.

### *C. Standardization of Goods for Export*

In order to improve the quality of goods exported from the U.S.S.R. all institutions and organizations engaged in export trade must fulfil all technical conditions regarding quality, sorting and packing, laid down by the People's Commissariat for Foreign Trade, and approved by the Supreme Council of

National Economy and the People's Commissariat for Internal Trade, and other authorities and organizations concerned. All goods for export must bear the following inscriptions :—

- (a) Name of organization sending.
- (b) Trade mark of the firm.
- (c) Quality mark of the goods.
- (d) The quantity in units used for such goods.

In addition to the control exercised by the departments issuing licences and certificates, the People's Commissariat for Foreign Trade must see that the goods exported from the U.S.S.R. are of the proper standard, and properly packed and graded. The People's Commissariat for Foreign Trade has the right to withhold the issue of licences and certificates from institutions, organizations and persons that dispatch repeatedly goods below the required standards.

#### *D. Rules for Testing and Marking of Imported Goods*

In order to safeguard the quality of all imported goods, the latter have to undergo a test and must be marked according to the regulations laid down in the Circular of the People's Commissariat for Foreign Trade, March 9, 1923, No. 76976. In accordance with the regulations of this circular all goods bought abroad and imported into the U.S.S.R., have to undergo a preliminary test—chemical, mechanical, or any other, dependent on the nature of the goods and the standard of quality required. The dispatch of goods without examination as above and preliminary testing is only allowed by special permit issued by the Trade Delegation, valid only for the particular instance in question. Chemical patent goods, and goods of well-known firms are exempted from the above-mentioned preliminary test. The preliminary testing and the acceptance of goods imported into the U.S.S.R. is effected either by the receiving committees of the Foreign Trade Delegations or directly by the institutions and organizations entitled to enter the foreign market. The People's Commissariat for Foreign Trade is responsible for observing the correctness of the acceptance. All imported goods must be marked and sealed, every parcel must be specified, provided with a bill of lading, description of the agreement according

to which the goods are imported, the name of the person receiving the goods, and also a detailed deed of acceptance with the necessary details, showing the quality of the goods in question, tests passed, and the name of the receiver. Non-compliance with these rules of testing and marking goods is considered an infringement of the monopoly of the foreign trade, and is prosecuted according to the Articles of the Penal Code.

### The Development of Foreign Trade

The first reaction of the mind of the average Briton on reading the regulations, interpretations of decrees and definition of functions of a whole series of governmental, semi-governmental and private institutions and individuals working in a State scheme, will be one of resentment of the complexity of organization revealed. The average Briton will be inclined to speak of "red-tape," "bureaucratic control" and to sum up by saying that it "won't work." But in point of fact the system is working and is developing in a direction which makes it easier every day for the individual business man or the individual limited liability company to take part in foreign trade. The remarkable feature of the Foreign Trade organization is indeed not so much its bureaucratic complexity as its flexibility and adaptability to the needs of the country.

To compare and contrast State-controlled Foreign Trade with private industry controlled Trade is a very difficult matter if the comparison is to be useful and the contrast of any practical value. To begin with, we should need to eliminate the difference between Great Britain and Russia due to purely racial and national differences. Then we should need to eliminate the differences which exist between a comparatively highly educated country like Great Britain and a comparatively badly educated country like Russia. One would need to remember that in the memory of living men the peasants of Russia have been emancipated from the type of slavery called serfdom and that in the political development of Russia the expression of Liberal opinions milder than those which have taken Lord Oxford and Asquith to the House of Lords

took Russians under the Tsarist regime to convict settlements in Siberia.

While no Government is likely to attempt to impose State Control of Foreign Trade on Great Britain, no one equally could organize the rise of Russia out of the ashes of war and revolution without at least a very large measure of such control.

And under State control the Foreign Trade of Russia has grown very much. The Foreign Trade turnover in the first six months of 1923 was 10.3 per cent. of the pre-war turnover (1903-13), but for the first six months of 1924 it rose to 21.9 per cent. During the second half of 1924 the figures were not so favourable, as the partial failure of the harvest and the fall in grain exports led to a fall in export of 34.7 per cent., calculated in values at pre-war prices. Grain exports during the last quarter of 1924 made up only 22.4 per cent. of the total export instead of 63.5 per cent., as was the case in 1923. Imports with Russia grew in the last quarter of 1924 by 11.2 million roubles, the increase being chiefly due to the import of cotton, sugar, tea and paper, and despite the fall in exports and the increase in imports there was still a favourable balance of trade, amounting to 13.3 million roubles, calculated at pre-war prices. It is clear, therefore, that trade is growing despite the temporarily unfavourable conditions of the last half-year of 1924. The following table gives a comparison of exports between 1923 and 1924 :—

HALF-YEARLY EXPORTS IN 1923 AND 1924

Period.	Quantity in 1,000 tons.	Value in million roubles.	Percent. of General Trade turnover.
January 1 to June 30, 1923 . .	810	54	48.6
July 1 to December 31, 1923 . .	2,833.2	151.7	63.1
January 1 to June 30, 1924 . .	2,570.3	150.4	64.1

The following table gives an analysis of exports by categories :—

## FOREIGN TRADE

321

EXPORTS, JANUARY TO JUNE, 1924, BY CATEGORIES

Period.	Quantities in tons.		Manu- factured articles.	Total.
	Food-stuffs.	Raw and semi-manu- factured articles.		
January to March . . .	813,987	400,825	150	1,214,962
April to June . . .	615,721	739,494	142	1,355,357
Total . . . . .	1,429,708	1,140,319	292	2,570,319
Percentage of total . .	55.6	44.4	0.0	100
Percentage value of ex- ports . . . . .	56.2	43.5	0.3	100

The very great improvement in trade which has taken place is seen if we contrast the figures of export in 1922 with those for 1923 and 1924.

Thus in the first half of 1923 food-stuffs formed only 5.3 per cent. of the exports; in the second half of 1922 only 5.2 per cent.; but the figure jumps in the first half of 1923 to 50.4 per cent., in the second half to 61.6 per cent., and is 56.2 per cent. in the half-year January-June, 1924. In the ordinary way food-stuffs are by far the most important exports of Russia, and the fact that despite the decrease of food exports in the latter half of 1924 Russia was able to maintain her export figures at a reasonably high level and keep a favourable trade balance is a remarkable testimony not only to her economic recovery but to the efficiency of direction of her Foreign Trade policy. The imports which Russia takes from Great Britain, while forming only a small part of the export trade of our country, are tending to be relatively more important than before the war. The chief competitor of Great Britain in Russian Trade, is Germany, and it is inevitable that German manufactures should play a great part in the imports Russia takes from the West and particularly in chemicals and electric apparatus, in which the trade before the war was largely in German hands. Indeed, if Germany is to make the reparation payments demanded of her by the Dawes scheme, which she can only do by maintaining a great export trade, it would seem inevitable that part of her energies must go towards exports to Russia. If Russia were able to absorb an increased

import of German manufactures, this would certainly conduce to the general well-being of Europe, but the importing capacity of Russia has a direct interest for all Western European countries and the rise in the importance of imports by Russia is a factor of great importance. The following table shows the imports in 1923 and 1924 in half-yearly periods :—

Periods.	Quantity in thousand tons.	Value in million roubles.	Percentage of total turnover.
January to June, 1923 . . . .	309.2	56.9	51.4
July to December, 1923 . . . .	562.8	87.1	36.9
January to June, 1924 . . . .	284.5	83.9	35.9

And the following tables show imports into Russia analysed into the different categories of goods :—

IMPORTS DURING FIRST HALF OF 1924 BY CATEGORIES  
(Weight in tons)

Category.	January—March.	April—June.	Total.	Percentage of Total.
Food-stuffs . . . . .	15,671	11,551	27,222	9.6
Animal products . . . . .	2,959	4,891	7,850	2.8
Seed, timber, etc. . . . .	3,087	2,711	5,798	2.0
Earthenware . . . . .	348	879	1,227	.4
Fuel, pitch, etc. . . . .	50,226	39,688	89,914	31.6
Chemicals . . . . .	27,486	12,084	39,570	13.9
Ores, metal, etc. . . . .	17,964	25,482	43,446	15.3
Paper goods, etc. . . . .	16,205	17,618	33,823	11.9
Textiles and yarns . . . . .	9,448	26,035	35,483	12.4
Wearing apparel, etc. . . . .	172	68	240	0.1
<b>TOTAL . . . . .</b>	<b>143,566</b>	<b>141,007</b>	<b>284,573</b>	<b>100.0</b>

It will be noted that metal, chemical and textile goods formed the chief items of import as regards value. During 1924 the import of metal goods declined in correspondence with the rise of the Soviet metal industry, but imports of textiles increased despite the increase in Soviet textile manufacture because of the tremendous Russian demand which in 1924 was outstripping supply.

# FOREIGN TRADE

323

## IMPORTS DURING FIRST HALF-YEAR BY CATEGORIES (Value in thousand roubles)

Category.	January-March.	April-June	Total.	Percentage of Total.
Food-stuffs . . . . .	2,479	3,733	6,212	7.4
Animal products . . . .	1,780	1,663	3,443	4.1
Seeds, timber, etc. . . .	643	401	1,044	1.2
Earthenware . . . . .	110	133	243	0.3
Fuel, pitch, etc. . . . .	5,568	1,781	7,349	8.8
Chemicals . . . . .	6,325	4,749	11,119	13.3
Ores, metals, etc. . . . .	10,038	13,619	23,657	28.1
Paper goods, etc. . . . .	3,231	3,362	6,593	7.9
Textiles and yarns . . . .	7,030	16,298	23,328	27.8
Wearing apparel, etc. . . .	659	301	960	1.1
<b>TOTAL . . . . .</b>	<b>37,863</b>	<b>46,040</b>	<b>83,948</b>	<b>100.0</b>

The following table which gives imports of categories in percentages of total value of imports since 1922 gives a truer picture of the improvement in Russia's condition than can be gained by any shorter view:—

## IMPORTS BY CATEGORIES (As percentages of the total value of imports)

Category.	1922. January-June.	1922 July-December.	1923. January-June.	1923. July-December.	1924. January-June.
Food-stuffs. . . . .	39.1	28.7	6.5	7.9	7.4
Animal products . . . .	4.7	3.5	5.7	2.9	4.1
Seeds, timber, etc. . . .	1.9	0.9	0.9	1.1	1.2
Earthenware . . . . .	0.3	0.2	0.4	0.3	0.3
Fuel, pitch, etc. . . . .	1.8	9.5	4.9	15.9	8.8
Chemicals . . . . .	3.6	10.0	12.1	12.6	13.3
Ores, metals, etc. . . . .	26.3	33.7	36.1	26.7	28.1
Paper goods, etc. . . . .	4.6	3.5	4.2	7.3	7.9
Textiles and yarns . . . .	5.4	5.3	24.8	22.9	27.8
Wearing apparel . . . . .	12.3	4.7	4.4	2.4	1.1
	100.0	100.0	100.0	100.0	100.0

The most striking fact revealed by the table is the fall in the import of food-stuffs due to the revival of Soviet agriculture. And it should be noted that the steady rise in the import in chemicals, very largely from Germany, and in the



import of textiles are very definite evidence of returning prosperity.

The composition of exports and imports stands out more prominently when commodities are grouped according to the use for which they are intended, as shown in the following two tables :—

**EXPORTS AND IMPORTS CLASSIFIED ACCORDING TO USE**  
(Value in thousand roubles)

<b>EXPORTS</b>		
Class.	1923.	1924.
Goods for industrial and technical use . . . . .	25,843	56,223
Goods for agriculture . . . . .	698	6,675
Goods for transport . . . . .	—	—
Fuel . . . . .	277	1,960
Goods for hygienic, medicinal and sanitary use . . . . .	176	325
Raw stuffs for food and fodder . . . . .	25,858	83,227
Goods for personal and household use . . . . .	419	713
Luxury articles . . . . .	562	1,260
Miscellaneous . . . . .	203	22
<b>TOTAL . . . . .</b>	<b>54,086</b>	<b>150,405</b>

  

<b>IMPORTS</b>		
Class.	1923.	1924.
Goods for industrial and technical use . . . . .	33,857	63,227
Goods for agriculture . . . . .	2,364	3,033
Goods for transport . . . . .	4,952	3,645
Fuel . . . . .	1,772	816
Goods for hygienic, medicinal and sanitary use . . . . .	1,065	1,528
Raw stuffs for food and fodder . . . . .	3,542	6,113
Goods for personal and household use . . . . .	7,947	4,803
Luxury articles . . . . .	203	259
Miscellaneous . . . . .	1,259	533
<b>TOTAL . . . . .</b>	<b>56,960</b>	<b>83,948</b>

A feature of the exports of Russia particularly interesting to us is the analysis of exports according to the country of destination. The tables below give the Exports (1) in tons and (2) in value :—

## EXPORTS BY COUNTRIES (Weights)

Country to which Goods sent.	January to June, 1923.		January to June, 1924.	
	Quantity (in tons).	Percentage of total.	Quantity (in tons).	Percentage of total.
Austria . . . . .	—	—	2,606	0.1
Great Britain . . . . .	60,914	7.5	322,607	12.6
Belgium . . . . .	4,887	0.6	81,887	3.2
Germany . . . . .	263,364	32.5	456,622	17.8
Holland . . . . .	57,072	7.1	172,279	6.7
Denmark . . . . .	5,275	0.7	130,331	5.1
Italy . . . . .	30,197	3.7	159,374	6.2
Latvia . . . . .	198,224	24.5	289,688	11.3
Norway . . . . .	11	—	17,375	0.7
Persia . . . . .	1,290	0.2	—	—
Poland . . . . .	6,447	0.8	18,295	0.7
Roumania . . . . .	—	—	18,278	0.7
U.S.A. . . . .	322	—	132,821	5.2
Turkey . . . . .	24,085	3.0	205,418	8.0
Finland . . . . .	62,622	7.7	113,401	4.4
France . . . . .	1	—	132,588	5.2
Czecho-Slovakia . . . . .	12	—	118	—
Sweden . . . . .	3,547	0.4	26,822	1.0
Estonia . . . . .	78,648	9.7	105,435	4.1
Others . . . . .	13,283	1.6	184,576	7.1
TOTAL . . . . .	810,001	100.0	2,570,319	100.0

## EXPORTS BY COUNTRIES (Values)

Country to which Goods sent.	January to June, 1923.		January to June, 1924.	
	Value (1,000 roubles at pre- war prices).	Percentage of Total.	Value (1,000 roubles at pre- war prices).	Percentage of total.
Austria . . . . .	—	—	586	0.4
Great Britain . . . .	5,057	9.4	21,167	14.1
Belgium . . . . .	1,015	1.9	4,592	3.1
Germany . . . . .	17,532	32.5	28,688	19.1
Holland . . . . .	3,638	6.7	7,279	4.8
Denmark . . . . .	264	0.5	7,173	4.8
Italy . . . . .	1,229	2.3	9,309	6.2
Latvia . . . . .	11,468	21.2	19,548	12.9
Norway . . . . .	6	—	898	0.6
Persia . . . . .	276	0.5	—	—
Poland . . . . .	1,418	2.6	1,851	1.2
Roumania . . . . .	—	—	640	0.4
U.S.A. . . . .	163	0.3	3,998	2.7
Turkey . . . . .	1,842	3.4	12,463	8.3
Finland . . . . .	3,456	6.4	5,888	3.9
France . . . . .	0.3	—	5,679	3.8
Czecho-Slovakia . . .	14	—	150	0.1
Sweden . . . . .	231	0.4	1,551	1.0
Estonia . . . . .	5,851	10.8	9,596	6.4
Others . . . . .	576	1.1	9,349	6.2
<b>TOTAL . . . . .</b>	<b>54,039</b>	<b>100.0</b>	<b>150,395</b>	<b>100.0</b>

The chief countries to which grain was exported during January-June, 1924, were as follows :—

Finland	106,800 tons.
Holland	104,600 "
Italy	95,100 "

The grain exported was divided as follows :—

Wheat, went largely to Italy and to Turkey. Rye to

Germany and to Finland. Barley to Germany and to Great Britain. Oats to Finland and to Latvia. Maize went to Germany.

Legumes amounted to 14,800 tons, which went to Esthonia.

Oilcake amounted to about 180,000 tons, of which Denmark took 92,300 tons.

Butter, 1,794 tons, of which 1,000 tons went to Great Britain.

Eggs were exported to a value of about £250,000 sterling and the larger part went to Great Britain. Great Britain also took the larger part of the 354 tons of Russian tobacco exported.

Apart from the food products enumerated above, the most important exports were oil products, furs, timber, seed, flax, fibre, manganese ore, bristles and horsehair. The oil export is particularly important, not only because it is increasing in amount, but because by this increase it is helping to balance the temporary decrease of export caused by the bad harvests. In the first six months of 1924 these products were exported as follows :—

Oil products, chiefly lamp oil, 397,200 tons, of a value of about £2,500,000 sterling. The importing countries were, in order of importance, Turkey, Great Britain, Germany, Italy and France. The amounts taken are set out below :—

OIL EXPORTS FROM SOVIET RUSSIA IN PERIOD JANUARY TO  
JUNE, 1924

Turkey	.	.	.	.	.	153,900 tons.
Great Britain	.	.	.	.	.	80,000 „
Germany	.	.	.	.	.	41,700 „
Italy	.	.	.	.	.	36,800 „
France	.	.	.	.	.	10,400 „

Furs were exported chiefly to Great Britain and the United States of America and as follows :—

EXPORTS OF FURS FROM SOVIET RUSSIA. PERIOD, JANUARY TO  
JUNE, 1924

(In million roubles)

Great Britain . . . . .	3.1
U.S.A. . . . .	2.3
Germany . . . . .	1.7
Latvia . . . . .	1.2
Poland . . . . .	1.1

The value of timber exports during the six months January-June, 1924, was 6,700,000 roubles, of which the bulk went to Great Britain and Latvia. The export of seed (largely to Great Britain) amounted to a value of 6,600,000 roubles, the export of flax fibre (largely to Esthonia and Latvia) amounted to 7,100,000 roubles, and more than 15 times the amount of manganese ore was exported in the first six months of 1924 as compared with the corresponding period in 1923. The United States of America, Great Britain, France and Belgium all imported manganese ore during this period.

MANGANESE ORE EXPORTS FROM SOVIET RUSSIA IN PERIOD JANUARY  
TO JUNE, 1924

Destination.	Quantity.
United States	132,400 tons
France . . . . .	50,800 "
Great Britain	37,700 "
Belgium . . . . .	21,900 "

The significance of these ore exports is of greater importance even than that of the increases of flax and timber, because it means another department of industrial life getting again into working order.

The wide area over which Russian trade now ranges is seen by the following table of Imports into Russia classified according to the country of origin :—

# FOREIGN TRADE

320

Country from which goods received.	January--June, 1923.		January--June, 1924.		January--June, 1923		January--June, 1924.	
	Quantity (in tons).	Per-cent- age of total.	Quantity (in tons)	Per-cent- age of total.	Value (1,000 roubles at pre-war prices).	Per-cent- age of total.	Value (1,000 roubles at pre-war prices).	Per-cent- age of total.
Australia . . .	—	—	2,348	0.8	—	—	1,213	1.5
Austria . . .	262	0.1	3,537	1.2	168	0.3	1,341	1.6
Great Britain .	181,496	58.7	129,594	45.5	13,385	23.5	21,826	26.0
Belgium . . .	—	—	735	0.3	—	—	186	0.2
Germany . . .	39,092	12.6	39,829	14.0	21,991	38.6	22,439	26.7
Holland . . .	224	0.1	888	0.3	159	0.3	452	0.5
Denmark . . .	—	—	1,375	0.5	—	—	131	0.2
Italy . . .	521	0.2	1,614	0.6	565	1.0	401	0.5
China . . .	1	—	2,170	0.8	2	—	2,105	2.5
Latvia . . .	1,320	0.4	1,672	0.6	1,071	1.9	865	1.0
Norway . . .	2,393	0.8	15,658	5.5	266	0.5	1,666	2.0
Persia . . .	8,044	2.6	3,630	1.3	1,700	2.9	2,109	2.5
Poland . . .	4,130	1.3	2,202	0.8	3,760	6.6	1,641	2.0
U.S.A. . . .	14,348	4.6	32,362	11.4	8,249	14.5	15,491	18.5
Turkey . . .	5,442	1.8	1,757	0.6	502	0.9	435	0.5
Finland . . .	41,295	13.4	18,921	6.7	2,064	3.6	3,077	3.7
France . . .	285	0.1	1,191	0.4	102	0.2	1,247	1.5
Czecho-Slovakia	100	—	1,743	0.6	34	—	604	0.7
Sweden . . .	5,466	1.8	9,430	3.3	1,651	2.9	3,757	4.5
Esthonia . . .	4,658	1.5	10,193	3.6	1,237	2.2	2,098	2.5
Others . . .	184	—	3,724	1.2	54	0.1	864	0.9
<b>TOTAL . . .</b>	<b>309,261</b>	<b>100.0</b>	<b>284,573</b>	<b>100.0</b>	<b>56,960</b>	<b>100.0</b>	<b>83,948</b>	<b>100.0</b>

It will be seen at a glance that the largest imports come from Great Britain, Germany and the United States of America. And dealing with specific commodities in the six months January to June, 1924, the following table gives quantities of the imports of certain important classes of goods :—

## IMPORTS INTO THE SOVIET UNION IN THE SIX MONTHS, JANUARY TO JUNE, 1924

	Great Britain.	U.S.A.	Germany.
Cotton . . . . .	5,300 tons	17,800	—

Total of cotton was 28,000 tons, including 3,500 tons from Persia.

	Great Britain.	U.S.A.	Germany.
India-rubber . . . . .	£500,000 (about)	—	—
Metal and metal manu- factures . . . . .	£500,000	£140,000	£170,000
Dye-stuffs . . . . .	—	—	£400,000 (about)

Machinery during the period was imported chiefly from Sweden (about £320,000); electric fittings and lamps from Germany (£220,000 about); paper and cardboard chiefly from Finland and Esthonia. Tea to the amount of about £230,000 came largely from China. From very small beginnings the Foreign Trade of Russia is climbing up again towards its pre-war level. And the following table shows the exports of the period January to September subdivided into the different commodities, but without distinction of country of destination.

#### SOVIET EXPORTS, JANUARY TO SEPTEMBER, 1924

Goods exported by U.S.S.R. via European and Black Sea-Kuban frontiers, during January to September, 1924

Commodity	Weight (in tons).	Value in roubles at 1913 prices.
<i>Food-stuffs</i> . . . . .	1,727,546	120,703,000
Including:—		
Grain . . . . .	1,424,650	76,941,000
(a) Wheat . . . . .	248,594	16,656,000
(b) Rye . . . . .	635,472	32,409,000
(c) Barley . . . . .	193,021	9,361,000
(d) Oats . . . . .	43,732	2,362,000
(e) Buckwheat . . . . .	13,386	750,000
(f) Millet . . . . .	19,822	971,000
(g) Maize . . . . .	187,835	8,077,000
(h) Peas . . . . .	14,709	1,162,000
(i) Beans . . . . .	27,539	2,176,000
(j) Rye flour . . . . .	5,848	497,000
(k) Bran . . . . .	14,275	614,000
(l) Wheat mixed with rye . . . . .	17,667	1,337,000
Poultry and game (dead) . . . . .	698	362,000
Cow butter . . . . .	20,313	18,617,000
Eggs . . . . .	20,292	7,934,000
Black caviare . . . . .	291	1,778,000
Red caviare . . . . .	727	297,000
Tobacco . . . . .	2,434	1,280,000
Chicory . . . . .	2,517	310,000
Carried forward . . . . .		

# FOREIGN TRADE

33

SOVIET EXPORTS, JANUARY TO SEPTEMBER, 1924 (continued)

Commodity.	Weight (in tons).	Value in roubles at 1913 prices.
Brought forward . . . . .		
Spirits and spirituous liquors . . . . .	12,580	252,000
Salt, common . . . . .	9,279	130,000
Oilcake of linseed, sunflower seed, etc. . . . .	242,042	12,459,000
Raw materials and semi-manufactures . . . . .	2,353,051	110,607,000
Including :—		
Box, yew, hazel, plane wood, etc., unmanufactured . . . . .	275	34,000
Timber unworked . . . . .	510,591	7,352,000
(a) Oak beams . . . . .	7,195	230,000
(b) Pine beams . . . . .	214,076	2,997,000
(c) Pit props . . . . .	90,035	1,273,000
(d) Fir and spruce balances . . . . .	178,181	2,495,000
(e) Aspen blocks . . . . .	15,090	287,000
Timber worked . . . . .	639,282	18,909,000
(a) Pine and spruce planks . . . . .	20,404	551,000
(b) Sleepers, oak and pine . . . . .	65,422	1,766,000
(c) Pine and spruce boards . . . . .	520,229	14,046,000
(d) Staves of oak, etc. . . . .	17,321	693,000
(e) Plywood . . . . .	6,191	1,521,000
Seed . . . . .	90,149	7,680,000
Including :—		
(a) Linseed . . . . .	13,440	1,236,000
(b) Sunflower and other oil seed . . . . .	55,013	5,061,000
(c) Vetch seed . . . . .	20,882	1,273,000
Licorice . . . . .	1,832	123,000
Medicinal plants . . . . .	358	217,000
Hides . . . . .	200	245,000
Furs . . . . .	1,326	16,221,000
Cattle entrails . . . . .	838	404,000
Horse manes and tails . . . . .	1,027	1,158,900
Bristles not made up . . . . .	522	1,785,000
Hair, all kinds . . . . .	667	311,000
Feathers and down . . . . .	381	559,000
Flax, combed, scurched and raw . . . . .	10,859	6,295,000
Flax, waste and tow . . . . .	8,330	1,996,000
Linen thread . . . . .	291	155,000
Hemp . . . . .	2,149	812,000
Hemp tow . . . . .	985	174,000
Wool (cow, calf and horse) . . . . .	648	648,000
Asbestos . . . . .	4,319	605,000
Coal and coke . . . . .	12,858	109,000
Manganese ore . . . . .	423,835	5,986,000
Metals scrap . . . . .	8,002	440,000
Mineral and products . . . . .	597,245	34,943,000
Including :—		
(a) Crude oil . . . . .	72,614	2,541,000
(b) Light benzine . . . . .	6,927	592,000
(c) Heavy benzine . . . . .	107,149	9,154,000
(d) Kerosene . . . . .	264,801	13,081,000
(e) Light solar oil . . . . .	35,361	2,588,000
Carried forward . . . . .		



SOVIET EXPORTS, JANUARY TO SEPTEMBER, 1924 (*continued*).

Commodity	Weight (in tons).	Value in roubles at 1913 prices
Brought forward . . . . .		
(f) Axle oil . . . . .	7,730	589,000
(g) Machine oil . . . . .	65,804	5,018,000
(h) Mazut and residues . . . . .	35,975	1,317,000
Resin . . . . .	5,562	278,000
Turpentine . . . . .	762	144,000
Santonin and products . . . . .	2	49,000
Chromium picrate . . . . .	177	108,000
Other chemical and pharmaceutical products . . . . .	4,114	1,835,000
Vegetable oil . . . . .	3,293	849,000
Rags . . . . .	1,982	215,000
Manufactures . . . . .	619	1,123,000
Including :—		
Metal wares . . . . .	14	9,000
Wooden goods . . . . .	58	7,000
Rubber footwear and other goods . . . . .	150	283,000
Flax and hemp goods . . . . .	138	129,000
Woollen carpets . . . . .	128	498,000
Books . . . . .	36	39,000
Artistic goods and antiques . . . . .	7	47,000
Koustar goods . . . . .	35	88,000
Total . . . . .	4,081,216	232,433,000
Across the European frontiers . . . . .	2,541,381	159,267,000
Across the Black Sea-Kuban frontiers of the Caucasus . . . . .	1,539,835	73,166,000

### Trade between Russia and Germany

In the days before 1914 Germany had a very obvious and very definite advantage over her rivals for the trade of Russia in the existence of a lengthy land frontier with that country with direct rail communications and in the existence of easy sea communication across the Baltic between the ports of Northern Germany and Russia. Full advantage was taken of this proximity, and the commercial penetration of Russia by Germany spread widely over her area. German business managers, German engineers, German chemists, German experts of every kind were to be found in all the industrial regions of Russia. Among other effects this led to the diffusion of a knowledge of the German language, and it is probable that among educated people in Russia, German is more

commonly spoken than any other foreign language. In Moscow in 1923 it was quite clear that Germany had an initial advantage in the re-knitting of industrial links. German newspapers were the only foreign newspapers I was able to get in August, 1923, in Moscow and shops displaying German goods, German books, German machines were found in conspicuous positions. These indications by themselves might be misleading, but despite the fact that Poland, Lithuania, Latvia, Esthonia and Finland are now detached from Western Russia, so that the same long land frontier no longer exists, it is clear that Russia and Germany are bound to remain in close economic association. It used to be considered that Russia and Germany formed complementary parts of a single economic system, and although that is probably an exaggerated way of phrasing the possibilities of their mutual economic interdependence, each country can certainly render the other substantial services by supplying needs not met within her own borders. Thus the expansion of the application of electric power in Russia is pretty well bound to have its technical base of operations in Germany or in Russia in industries under German direction. The electrical industry pre-war was almost entirely under German direction in Russia, even certain raw materials and semi-manufactured materials coming from Germany into Russia. The programme of electrification of Russia, even if it goes on very much more slowly than its Russian promoters wish, is bound to absorb a very great value of electrical goods over a period of the next five or ten years. Then, again, the campaign going on in Russia to improve agriculture is bound to result in the import of a great deal of chemical manure, which will come largely from Germany. Indeed, there is hardly a department of the country's life where German industry will not play a large part and if Russian economic conditions continue to improve, the import from Germany in a few years may very well considerably exceed that which obtained before the World War.

A glance at the statistics of imports from Germany with the Soviet Union shows both how great the trade has been in the past and how it has increased since 1920.

## IMPORTS FROM GERMANY INTO THE SOVIET UNION

(In million roubles at 1913 prices)

Year.	Amount.
1901-1905 (average)	225.9
1906-1910	359.4
1911	476.8
1912	521.1
1913	642.8
1918	0.4
1919	—
1920	6.3
1921	54.4
1922	88.3
1923	51.8
1924 (first 9 months)	33.7

The picture of export runs closely parallel and is as follows :—

## EXPORTS FROM THE SOVIET UNION TO GERMANY

(In million roubles at 1913 prices)

Year.	Amount.
1901-1905 (average)	221.0
1906-1910	326.4
1911	490.5
1912	453.0
1913	453.6
1918	0.7
1919	—
1920	—
1921	1.7
1922	14.7
1923	61.3
1924 (first 9 months)	37.2

The diminution of trade between Germany and Russia in 1924 as compared with 1923 is to be almost certainly ascribed to the Russo-German dispute of that year which led to threats of the rupture of relations and was the subject of prolonged diplomatic readjustment, which finally succeeded in clearing away all misunderstandings and restoring normal diplomatic and trade intercourse. (The dispute arose out of the arrest on the premises of the Soviet Embassy of a Russian for political reasons.)

But there seems no reason to think that Germany will

not recapture her pre-eminent position in the Russian market of the pre-war period when she supplied 52 per cent. of all Russian imports. And 45.2 per cent. of all German exports to Russia in 1913 were manufactures and 46.3 per cent. raw materials or semi-manufactures, while 54.9 of Russian exports to Germany were food-stuffs and 38 per cent. raw materials and semi-manufactures, and in addition there were 5.8 per cent. of live stock. The total exports of Russia to Germany before the war amounted to 32 per cent. of her total exports.

An additional reason which will compel Germany to seek to increase her trade with Russia is supplied by the fact that Germany has lost her overseas possessions and a large part of her commercial fleet. And the monopoly of Foreign Trade possessed by the Russian Government will facilitate any attempt at closer economic intercommunication which Russia and Germany are inclined to make with each other. The economic necessities of Russia and of Germany would seem to make some such close economic co-operation desirable from their point of view and practically possible if purely political considerations do not intervene.

### The Russian Market for Foreign Trade

With a population of over 130,000,000 people in the Soviet Union, Russia is potentially one of the greatest markets in the world. But the standard of life in Russia has never been as high as that of Western Europe and the vast bulk of the peasantry live in primitive villages and their needs are of a restricted kind. Since the World War and civil war the needs of the population of Russia have been clamorous—for agricultural implements, for household necessities, for clothing, for machinery of various kinds and for many other things. But the fall in the purchasing power of the Russian population has made the full satisfaction of even elementary needs impossible. Now, however, that production is increasing and with it the wages of workers and the standard of living of peasants, it is to be expected that the consumption of imported goods, which are to a very large extent manufactured goods, will increase. But the fall in consumption has been

very great. Mr. P. T. Popov, Chief of the Central Statistical Department of the Soviet Union, calculates that the fall in the consumption of manufactured goods <sup>1</sup> in the towns has been 40 per cent., but the fall in the villages has been 90 per cent. With three-quarters of the population of Russia only able to consume one-tenth of the manufactured goods which they did before the war, the field for export to Russia is very definitely and very strictly limited. And under such circumstances the State Control of Foreign Trade has its best opportunity as a whole by so directing the policy of exports as to avoid the otherwise inevitable and hectic fluctuation of prices. That the foreign trade of Russia is still only in a stage of convalescence from the world convulsion and the revolution is of course clear from an even cursory examination of the statistics. Even with a carefully controlled export and import the economic conditions of Soviet Union cause demand to fluctuate largely. But rigid control at least secure, with a military ruthlessness, that elementary and fundamental needs are supplied first and that the general economic needs of the country take precedence of mere private purchasing power. Everything under the Soviet regime in Russia is planned, State production, State consumption, Import and Export.

And the import plan for 1924-25 sets out quite definitely the objects to be obtained. It has decided to classify the imports allowed in the following order :—

- (1) Commodities necessary to satisfy the demand of Soviet Industry for raw and semi-manufactured materials of use for fulfilment of the productive programme.
- (2) Import of machinery and materials for re-equipment of industry and transport.
- (3) Import of machinery and materials for development of agriculture.
- (4) Import of fertilizers, insecticides and seeds.
- (5) Import of requirements for home and co-operative industry.
- (6) Import of objects in general demand.

At the time when the Soviet financial system was recovering from the nightmare of its millions and trillions of Soviet

<sup>1</sup> V. J. Groman, Moscow, 1924.

roubles, the first necessity in dealing with imports was to guard against an adverse balance of trade and by securing a favourable balance to build up a reserve which could be used as part of the basis for the note issue (the Tchervonetz), backed by gold. Now, however, that the currency is stabilized and the reserves of gold, foreign currency or their equivalents are more than adequate as a basis for currency, it has been found possible to allow a greater amount of import while still maintaining a favourable balance. But the point has now been reached when if any large extension of import is to take place it must be on a basis of loans or credits advanced to Russia outside her own territory, and the needs of Russia being so great it is inevitable that her policy should revolve round this central question of the need of credit.

But apart altogether from such credits the imports into Russia are growing yearly, and those from Great Britain are shown in the table below :—

EXPORTS TO THE SOVIET UNION FROM GREAT BRITAIN

Year.	Direct.	Re-export.
1913 . . . . .	£18,103,000	£9,591,000
1921 . . . . .	2,181,000	1,210,000
1922 . . . . .	3,641,000	970,000
1923 . . . . .	2,492,000	1,989,000

The total commercial imports into the Soviet Union across the European frontiers, including the ports of the Black Sea, amounted to 510,418 tons, of a value of 161,190,000 roubles at pre-war prices. (In addition to these imports foreign missions and relief agencies imported 382 tons, of a value of 1,339,000 roubles at pre-war prices.)

The largest import in value was that of textiles and yarns, making an amount of 57,194,000 roubles at pre-war prices, metals and metal goods to a value of 41,618,000 roubles, chemicals to a value 17,193,000, paper goods to the value of 11,678,000, food-stuffs to a value of 14,894,000 roubles and animal products to a value of 6,381,000.

The fuller detail of these imports is shown in the following table :—

## SOVIET IMPORTS, JANUARY TO SEPTEMBER, 1924

Goods imported into the U.S.S.R. via European and Black Sea-Kuban frontiers, during January to September, 1924

Commodity.	Quantity (in tons).	Value (in roubles at pre-war prices).
<i>Food-stuffs</i> . . . . .	73,912	14,894,000
Including :—		
Fruit . . . . .	1,226	146,000
Spices . . . . .	600	401,000
Coffee . . . . .	733	538,000
Cocoa . . . . .	1,280	781,000
Tea . . . . .	5,224	5,356,000
Sugar and confectionery . . . . .	20,551	2,074,000
Hops . . . . .	147	234,000
Frozen meat . . . . .	5,433	1,936,000
Fish (dried, salted and smoked) . . . . .	37,849	3,333,000
<i>Animal Products.</i> . . . .	14,848	6,381,000
Including :—		
Manures . . . . .	1,769	43,000
Silkworm eggs . . . . .	16	586,000
Fats . . . . .	2,568	873,000
Beeswax . . . . .	2,612	749,000
Hides (undressed) . . . . .	7,196	2,720,000
Hides (dressed) . . . . .	513	1,160,000
Footwear and leather goods . . . . .	57	178,000
Timber and seed. . . . .	8,802	1,683,000
Including :—		
Corkwood . . . . .	2,695	593,000
Joinery wood . . . . .	2,156	221,000
Furniture wood . . . . .	524	159,000
Seeds and herbs . . . . .	4,474	813,000
(a) Copra . . . . .	1,530	439,000
(b) Medicinal herbs . . . . .	181	54,000
Earthenware, etc. . . . .	2,283	499,000
Including :—		
Glazed . . . . .	344	63,000
Glassware . . . . .	80	104,000
Fuel, etc. . . . .	110,370	8,921,000
Including :—		
Coal . . . . .	107,231	1,051,000
Toluol, refined . . . . .	894	655,000
Resin . . . . .	8,336	1,067,000
Carbolic acid, pure . . . . .	354	130,000
India-rubber, raw . . . . .	1,668	5,244,000
Rubber goods . . . . .	180	443,000
Carried forward . . . . .		

# FOREIGN TRADE

339

SOVIET IMPORTS, JANUARY TO SEPTEMBER, 1924—continued

Commodity.	Quantity (in tons).	Value (in roubles at pre-war prices).
Brought forward . . . . .		
<i>Chemicals, etc.</i> . . . . .	55,375	17,193,000
Including :—		
Wax, all kinds . . . . .	5,125	298,000
Barium chloride . . . . .	331	152,000
Potassium and sodium cyanide (not chemi- cally pure) . . . . .	249	122,000
Saltpetre . . . . .	16,977	1,869,000
Berthollet's salt . . . . .	794	262,000
Citric acid . . . . .	183	321,000
Quinine . . . . .	95	372,000
Castoreum . . . . .	1,001	147,000
Vegetable oil . . . . .	1,511	676,000
Soap and cosmetics . . . . .	102	424,000
Tanning materials . . . . .	20,650	2,214,000
Dye-stuffs . . . . .	4,376	7,654,000
<i>Metals</i> . . . . .	79,546	41,618,000
Including :—		
Ferrous metals . . . . .	4,592	433,000
Copper, all forms . . . . .	527	387,000
Aluminium, all forms . . . . .	614	487,000
Tin, all forms . . . . .	1,692	3,409,000
Lead, all forms . . . . .	10,947	2,069,000
Zinc, all forms . . . . .	3,361	739,000
Copper goods . . . . .	586	846,000
Iron and steel goods . . . . .	11,305	5,552,000
Wire, all sorts . . . . .	1,759	530,000
Wire goods . . . . .	1,776	1,550,000
Agricultural implements . . . . .	1,131	439,000
Tools, various . . . . .	994	595,000
<i>Machinery</i> . . . . .	17,632	9,650,000
Including :—		
Locomotive tenders and trolleys without motors . . . . .	3,114	1,426,000
Locomotives . . . . .	8,937	4,906,000
Traction engines . . . . .	310	159,000
Internal combustion engines . . . . .	218	193,000
Pumps and hand fire extinguishers . . . . .	333	203,000
Hydraulic and steam turbines . . . . .	1,821	790,000
Metal-working machines . . . . .	1,005	675,000
Typewriters . . . . .	47	203,000
Dynamos and electric motors . . . . .	1,020	1,532,000
Agricultural machinery . . . . .	9,511	2,917,000
Spare parts . . . . .	1,521	1,072,000
Carried forward . . . . .		



SOVIET IMPORTS, JANUARY TO SEPTEMBER, 1924—*continued*

Commodity	Quantity (in tons).	Value (in roubles at pre-war prices).
Brought forward . . . . .		
Duty-free machinery and instruments . . . . .	2,312	1,270,000
Scientific instruments . . . . .	324	1,624,000
Electric lamps . . . . .	120	1,362,000
Electrical instruments and appliances. . . . .	1,087	2,271,000
Bicycles, motor-cars, and aeroplanes . . . . .	899	2,206,000
Paper goods, etc. . . . .	63,550	11,678,000
Including :—		
Paper-making materials. . . . .	25,615	2,242,000
Paper and cardboard . . . . .	37,313	8,780,000
Books and pictures . . . . .	311	619,000
Textiles and Yarns . . . . .	92,458	57,194,000
Including :—		
Cotton and cotton piece goods . . . . .	81,516	47,279,000
Jute, etc. . . . .	2,558	640,000
Wool . . . . .	4,944	5,485,000
Cotton yarn . . . . .	45	108,000
Woollen yarn . . . . .	437	789,000
Cotton fabrics . . . . .	175	253,000
Flax and hemp goods . . . . .	2,361	1,027,000
Silk and semi-silk fabrics . . . . .	3	128,000
Woollen fabrics . . . . .	345	1,277,000
Wearing apparel, etc. . . . .	276	1,129,000
Including :—		
Garments . . . . .	8	125,000
Buttons . . . . .	13	70,000
Stationery . . . . .	245	896,000
Total Imports . . . . .	510,418	161,190,000
Imports via European Frontiers . . . . .	487,333	148,537,000
Imports via Black Sea-Kuban frontiers . . . . .	23,085	12,653,000
In addition to above, foreign missions and relief agencies imported goods to the value of	—	1,339,000

### Comparison with Pre-war Trade

From the statistics already given in this chapter it is clear that the trade of Russia with other countries is being re-established and it is equally clear that it is growing at a fairly rapid rate. But the imports into Russia are now about one-tenth of those pre-war, and it is interesting to note that the

consumption of the peasant is estimated by Official Soviet statisticians to have sunk to one-tenth of the amount pre-war. This is not to be taken as indicating that the standard of life of the peasant only reaches one-tenth of the way up to the pre-war level, but rather that the peasant is concentrating more on vital food necessities and making the rest of his possessions "do." This figure of one-tenth of pre-war consumption also indicates what a very large margin for the recovery of Russia still remains to be filled in. How rapidly the task of recovery can be performed will no doubt govern both the internal and external politics of the Soviet Union for some years to come. The power of the Soviet Government to carry out its policy of the industrialization of the Republic will depend in the future not on the output of its propaganda speeches but on the output of its cereals.

The last complete pre-war year was 1913 and the exports from Russia in that year <sup>1</sup> were 1,520,100,000 roubles and the imports 1,374,000,000 roubles, giving a favourable balance of about 146,000,000 roubles. The figures for 1924 (9 months) amount to about one-tenth of these exports and imports and the balance is correspondingly reduced. But the balance exists.

The exports from Russia over Western frontiers in 1913 fell under the following heads : Articles of food to the value of 807,000,000 odd ; raw materials and semi-manufactured articles, 550,000,000 odd ; animals about 33,000,000 of roubles ; manufactures, 30,000,000 odd.

The imports into Russia over Western frontiers in 1913 were classified as : Manufactures, 432,000,000 (about) ; raw material and semi-manufactured articles, 622,000,000 odd ; articles of food, 163,000,000 odd ; and animals, 3,000,000 odd.

The detail of the Russian Exports and Imports in 1913 is given in the following tables <sup>2</sup> :—

<sup>1</sup> *Statesman's Year-Book*, 1916.

<sup>2</sup> *Statesman's Year-Book*, 1916.

## GRAIN EXPORTS FROM EUROPEAN RUSSIA AND THE CAUCASUS IN 1913

	Millions of poods.	Millions of roubles.
Wheat . . . . .	203.1	225.1
Rye . . . . .	39.5	32.9
Barley . . . . .	239.5	186.1
Oats . . . . .	36.4	31.8
Maize . . . . .	35.5	25.1
Other grain products . . . . .	93.8	88.9

EXPORTS OF CHIEF PRODUCTS FROM RUSSIA IN EUROPE AND THE  
CAUCASUS IN 1913

(In 1,000 roubles)

*Food.*

Corn, flour, buckwheat, etc.. . . . .	589,939
Eggs . . . . .	90,639
Dairy produce . . . . .	71,160
Sugar . . . . .	6,198
Fish and caviare. . . . .	7,342
Tobacco . . . . .	6,813
Cigarettes . . . . .	1,316
Meat . . . . .	9,302
Alcohol, gin and wines . . . . .	5,113
Various . . . . .	19,361

Total articles of food . . . . .	807,183
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*Raw Material and Semi-manufactures.*

Timber and wooden goods . . . . .	163,620
Naphtha and naphtha oils . . . . .	48,507
Flax . . . . .	94,158
Oil cakes . . . . .	38,527
Oleaginous and other grains . . . . .	34,496
Furs and leather. . . . .	52,995
Hemp. . . . .	22,845
Bristle . . . . .	8,868
Wool . . . . .	10,547
Silk . . . . .	4,459
Manganese ore . . . . .	14,575
Raw metals (chiefly platinum) . . . . .	16,427
Various . . . . .	40,308

Total . . . . .	550,332
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# FOREIGN TRADE

343

## *Animals and Manufactures.*

Fowls and game . . . . .	9,467
Horses . . . . .	13,640
Cattle, pigs and other animals . . . . .	9,878
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Total . . . . .	32,985
Gutta-percha . . . . .	5,405
Cottons . . . . .	2,563
Metallic goods . . . . .	4,746
Woollens . . . . .	1,721
Various . . . . .	16,020
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Total . . . . .	30,455

In addition in 1913, 20,450,000 roubles of sugar was exported across Asiatic frontiers and 40,854,000 of cottons.

## IMPORTS INTO RUSSIA ACROSS EUROPEAN FRONTIERS AND BLACK SEA FRONTIER OF CAUCASUS IN 1913

(In 1,000 roubles)

Cereal crops . . . . .	15,579
Rice . . . . .	6,045
Fruits, vegetables and nuts. . . . .	22,983
Coffee. . . . .	8,999
Tea . . . . .	30,896
Tobacco . . . . .	1,465
Spirits and wines . . . . .	19,948
Fish . . . . .	35,044
Animals . . . . .	3,105
Various . . . . .	22,243
<hr/>	
Total articles of food and animals. . . . .	166,107
Leather hides and skins . . . . .	57,092
Various animal products . . . . .	33,959
Timber and wooden goods . . . . .	49,873
Ceramic . . . . .	31,766
Coal and coke . . . . .	86,905
Caoutchouc and gutta-percha . . . . .	42,280
Various fuels, etc. . . . .	13,568
Chemicals . . . . .	27,572
Colours . . . . .	14,649
Various chemicals and colours . . . . .	17,194
Raw metals . . . . .	52,735
Metal goods . . . . .	13,158
Machinery . . . . .	163,727
Various metals, etc. . . . .	109,443

Paper and paper goods . . . . .	40,609
Raw cotton . . . . .	100,098
Raw silk . . . . .	27,258
Raw wool . . . . .	53,116
Cotton yarn . . . . .	9,769
Wool yarn . . . . .	18,950
Cotton and other textile goods . . . . .	50,132
Clothing . . . . .	16,494
Various textile goods . . . . .	24,085

Grand total of imports	1,220,539
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In addition to above imports 7,038,000 roubles worth of rice was imported from Persia and 13,943,000 roubles worth of cotton across Asiatic frontiers.

It will be seen from a comparison of these tables with those of Export and Import in 1924 previously given that practically the whole range of imports into and exports from Russia has now been re-established, but the quantities have not been re-established and this problem remains for solution.

For the sake of comparison we give the exports to Russia from the United Kingdom and imports from Russia for the year 1913.

CHIEF IMPORTS INTO THE UNITED KINGDOM FROM RUSSIA FOR YEAR  
1913

(In pounds sterling)

Wheat . . . . .	1,984,964
Oats . . . . .	865,237
Barley . . . . .	1,847,367
Eggs . . . . .	4,745,229
Flax and tow . . . . .	3,309,989
Wood . . . . .	13,622,343
Butter . . . . .	3,831,366
Bacon . . . . .	648,828

CHIEF EXPORTS FROM THE UNITED KINGDOM TO RUSSIA IN 1913

(In pounds sterling)

Iron . . . . .	1,009,820
Coal . . . . .	4,440,831
Machinery . . . . .	3,946,547
Tin . . . . .	295,038
Lead . . . . .	199,354
Woollen yarn . . . . .	203,187
New ships . . . . .	643,466
Cotton yarn . . . . .	281,518

From examination of these statistics it is difficult to see how Great Britain, or rather the British Empire, could be harmed by a resumption of this trade in full. Export to Russia—iron, coal, machinery, metals, textiles and ships—is sheer gain. Import from Russia of food-stuffs does compete against Empire supplies, but there is reason to think that this competition from Russia cannot be very serious for some years to come, while the import of wood and flax would be of the greatest benefit to British industry. There is indeed ample room in the trade balance sheet of Great Britain for the full Russian trade. But it cannot at best grow very quickly.

But in considering the problem it must not be overlooked that the general impoverishment of the world following on the World War has led to a restriction of imports and exports of many other countries besides Russia. Germany, France and Great Britain, for example, have all suffered severely. The problem of exports and imports is, in fact, not part of the problem of any one country, but a world problem, and in so far as this affects Russia it is a factor independent of the internal conditions of that country.

In the case of Russia, however, there has been not one war but a series of wars, for the invasions of Russia from the northern coast, from Esthonia, from Poland, from the Ukraine, the Crimea and from Siberia, were not finally disposed of until 1921. These invasions inflicted severe damage on railways, bridges, towns and factories, but they also disorganized the normal peasant life, making any kind of economic interchange between large areas of the country impossible, and were further reinforced and made more severe in their effect by the almost complete cessation of import and export in 1920 and 1921 owing to the economic blockade.

So that Russian exports and imports have been built up from nothing to one-tenth of the pre-war amount in a period of only three years. It seems therefore probable that the course of the next five years a progress in export and import will be made, and the trade with the East (not yet considered in this chapter) may have an important bearing on the restoration of the pre-war equilibrium. There is, however, the possibility of a trade expansion with the East, but the war

ravages and the post-war ravages have been so much more severe in Russia than in the rest of Europe, that the rebuilding will not go on at the same rate as it has done up to the present. Before the war there was a considerable import with Siberia through Vladivostock, chiefly of coal, metals, machinery and manufactures, and the port is capable of dealing with a large volume of trade, as was shown in the war, when from 1914 to 1915 (owing to war necessities) the imports through Vladivostock rose very largely indeed. And now that Russo-Japanese relations are regulated by a treaty signed in 1925, it is probable that export and import will develop more rapidly. During 1925 an industrial exhibition was held at Kharbin, in which not only Russian but Chinese firms took part.

Since 1921 Vladivostock has become very markedly an exporting port. Thus in 1921 24,000,000 poods of goods were exported and 3,000,000 imported, but for 1922 the figures are 36,000,000 poods exported and 4,000,000 imported, while for the first nine months of 1923 the exports had risen to 41,000,000 poods and the imports fallen to 1,000,000 poods. An improvement in the political situation, however, will no doubt produce a considerable change in the near future.

### The History of Anglo-Russian Trade

Trade between Great Britain and Russia has been of importance since the time of the Napoleonic wars, when the attempted blockade of England brought Russia into the conflict against Napoleon.

And all through the nineteenth century Anglo-Russian trade grew steadily and Russian industry provided a field for the investment of British capital.

Between 1860 and 1900 British export to Russia increased from about £2,000,000 to £8,000,000 and British import from Russia increased from £10,000,000 to £22,000,000. In comparison with Russo-German and Russo-French trade, Great Britain only exported to Russia in 1900 about one-third of the amount which went from Germany and four-sevenths of the amount which went from France. But since the end of the nineteenth century Germany has made special efforts

to capture Russian trade, and from 1900 up to 1913 British exports to Russia fell, while German exports largely increased. During the same period Russian exports to Great Britain decreased and Russian exports to Germany increased.

But if the exports and imports are subjected to further analysis, it appears that in 1913 Great Britain took over one-third of all the wood and timber exported by Russia and almost half of all the butter and eggs exported by Russia. Apart from the importation of cereals, the foundation of Anglo-Russian trade is really to be found in the export from Russia to this country of timber and the products of dairy and poultry farming, and in the exports from Great Britain to Russia of coal and coke, cotton yarn and cotton manufactures, machinery and tools and wool and woollen materials.

The amounts of the chief exports to Russia in 1913 are set out in the table below :—

CHIEF EXPORTS FROM GREAT BRITAIN TO RUSSIA IN 1913 <sup>1</sup>

Coal and coke . . . . .	£4,350,100
Cotton yarn . . . . .	256,000
Cotton manufactures . . . . .	443,700
Electrical goods and apparatus . . . . .	48,700
Fish . . . . .	1,991,800
Tools . . . . .	250,500
Leather . . . . .	80,200
Machinery . . . . .	3,857,500
Metals and ores . . . . .	1,722,400
Wool . . . . .	1,372,400
Woollen manufactures . . . . .	362,500
<b>TOTAL . . . . .</b>	<b>£14,735,800</b>

Looking at this table of exports to Russia in 1913, it is clear that Great Britain is in a position to supply the same classes of goods now and with considerable benefit to her own industry and to her own shipping which would be engaged in the trade. While in respect of imports from Russia, those which were of most importance pre-war—namely, cereals, timber, butter and eggs—have an equal importance now, and

<sup>1</sup> *Russia*, Vol. I, No. 5. Published by Russo-British Finance Co., Ltd., 37, Threadneedle Street, London, E.C.



in the case of timber a greater importance on account of the necessities of the national housing programme.

Without, therefore, basing any exaggerated hopes on the possibilities of Russian trade, it is quite clear that Great Britain stands to gain and Russia stands to gain by the earliest possible resumption of the full amount of trade carried on before the war.

#### THE EXPORT RESOURCES OF RUSSIA

As far as the near future is concerned, the export resources of Russia which are most important are her forests, her cereals, her dairy produce and other farm produce, and her firs and her oil. The great mineral deposits—coal, iron, the precious metals and the rest—are chiefly of importance to Russia's own internal development, although manganese ore is now, and may become still more, an important export, and gold and platinum have their special importance.

#### The Forests

The forests of Russia, largely untouched and even unexplored before the war, are the greatest in the world. Before the revolution the larger part of the forest area was in the hands of the Government or the Crown. Of the 345,000,000 acres of forest in European Russia (exclusive of Finland) only about 27 per cent. belonged to individuals, while about 62 per cent. belonged to the State, about 3 per cent. to the Crown and about 7.5 per cent. to the peasants. In the Caucasus a little less than one-half the forests formerly belonged to the State and the remainder to a large number of private persons. The forests in Asiatic Russia belonged almost entirely to the State before the war. The larger part of the forest area therefore belonged to the State before the war and it was worked by the State. As far, therefore, as forestry is concerned, the Bolshevik regime has merely extended the normal pre-war system. Even the Bolshevik plans of forest "concessions" were elaborated before the revolution (*vide the Russian Year-Book*, 1916, Eyre and Spottiswoode).

The importance of these facts from the standpoint of the immediate export of timber is clear, for a system which

worked before the revolution is likely also to work after the revolutionary disturbances have given place to a more normal routine of life.

### The Area of Forests in the Soviet Union

The forests of European Russia (without Finland) extend to 345,000,000 acres; the Caucasian forests to 17,500,000 acres; the forests in Asiatic Russia to over 200,000,000 acres, leaving out of account forests unexplored and not surveyed which amount to a great deal more. Thus the forest of Yakutsk is estimated at 90,000,000 acres.

The table on p. 350 shows the area, distribution, production and expenses of Forestry under Government control in 1911.<sup>1</sup>

Poland is, of course, no longer included in Russia, and the area in European Russia is restricted by modifications of the Western frontier north of Poland.

But it is clear from this table that Government working of forests is no new thing in Russian affairs. It will also be seen that the exploitation of the forests of Siberia and Central Asia, despite their enormous extent, was at a very early stage of development and yielded a comparatively insignificant profit.

The chief timber markets which still remain parts of the Soviet Union are Leningrad, Kronstadt, Moscow and Archangel. The only great market left out of Soviet Russia is that of Riga.

The chief timber trees in European Russia are as follows: In Northern Russia are pine, birch, fir, cedar, aspen, alder and larch. In Central Russia there are also oak, lime, maple, elm and beech. In the Caucasus, beech, oak, pine, fir, elm, poplar and others. In Asiatic Russia, larch, pine, white cedar, fir, spruce, lime, maple, cork-tree, walnut, cherry, apricot, apple, pear, ash, elm, birch, yew and others.

The Russian timber trade, despite the important quantities shipped abroad, was poorly developed in comparison with its possibilities before the war. The lumber trade in the East was hardly organized at all.

<sup>1</sup> Statistics from the *Russian Year-Book*, 1916, Eyre and Spottiswoode.

WOODS ADMINISTERED BY THE FOREST DEPARTMENT, 1911

[illegible]

### Dairy Farming

The great impetus given to Co-operation is likely to have one of its most marked effects in the industry of dairy farming. The recent formation of the Maslocenter is designed to help this. The industry was increasing rapidly before the war in Vologda, in Perm, in Tomsk and in other places. The export of butter from Siberia in 1913 amounted to over 79,000 tons.

### Eggs

The districts in Russia exporting eggs before the war were the Volga Provinces, the chief centres being at Kazan, Nijni-Novgorod and Rybinsk in South-West Russia, in the Don Province and in South-East Russia.

The average export of eggs and poultry for the years 1906-10 was as follows: eggs, 58,100,000 roubles; live poultry, 7,500,000 roubles; dead poultry (largely frozen), 4,700,000; feathers and down, 1,600,000 roubles. It seems probable that the more equal distribution of land among the peasants since the revolution will lead to an increase of these products.

### Flax and Hemp

In 1914 the area of European Russia under cultivation for hemp amounted to 526,085 dessiatines, with 6,066 dessiatines in the Caucasus and 54,902 dessiatines in Asiatic Russia. The total yielded over 23,000,000 poods and the average yield per dessiatine was about 40 poods.

### Flax

The area under flax in Russia in 1912 was over 1,400,000 dessiatines and the total yield of flax was over 45,000,000 poods.

The most important districts from the point of view of flax cultivation in 1912 were Vyatka, Smolensk, Tver, Pskov and Livonia, the latter being no longer in the Soviet Union. The area under cultivation and the production of fibre for the year 1913 is given in the following table:—

AREA OF RUSSIA UNDER FLAX CULTIVATION IN 1913 IN *DESSIATINES*  
WITH YIELD IN THOUSAND *POODS*

	<i>Desiatines.</i>	<i>1,000 poods.</i>
Vyatka . . . . .	116,586 . . . . .	2623·2
Pskov . . . . .	101,694 . . . . .	2578·9
Tver . . . . .	111,157 . . . . .	2839·1
Smolensk . . . . .	134,480 . . . . .	4410·1
Vitebsk . . . . .	52,192 . . . . .	1304·9
Perm . . . . .	47,638 . . . . .	1148·1
Kostroma . . . . .	48,643 . . . . .	1282·8
Yaroslav . . . . .	37,371 . . . . .	1091·2
Vladimir . . . . .	41,114 . . . . .	1437·5
Vologda . . . . .	29,976 . . . . .	736·3
Mogilev . . . . .	34,831 . . . . .	1091·3
Nijni-Novgorod . . . . .	34,047 . . . . .	1310·8
Novgorod . . . . .	27,647 . . . . .	799·0
Minsk . . . . .	22,339 . . . . .	1042·8
Tomsk . . . . .	40,728 . . . . .	1247·7
Kaluga . . . . .	21,363 . . . . .	500·7
Tobolsk . . . . .	20,071 . . . . .	513·9
Moscow . . . . .	20,025 . . . . .	550·7
Petrograd . . . . .	10,230 . . . . .	251·4
Olonetz . . . . .	1,913 . . . . .	40·1
Archangel . . . . .	353 . . . . .	12·4

As a large proportion of flax, about seven-ninths of total amount, was grown by the peasants before the war, there is reason to expect that the present production will materially increase with the general return to stable conditions.

### Furs

The hunting of fur-bearing animals has always been an important Russian industry, and attempts are now being made to secure a scientific preservation of these animals to prevent the ruthless destruction which previously went on. The number and value of fur-bearing animals killed in 1913 is given below :—

NUMBER AND VALUE OF FUR-BEARING ANIMALS KILLED IN 1913 IN  
RUSSIA AND SIBERIA

	Number.	Value in roubles.
Ermine . . . . .	47,048	115,761
Sable . . . . .	20	800
Siberian skunk. . . . .	6,304	20,691
Squirrel . . . . .	573,983	192,021
Cats, wild cats, etc. . . . .	2,169	1,444
Lynx, panther, tiger, etc. . . . .	397	3,646
Hare . . . . .	344,316	92,720
Bear . . . . .	1,444	22,424
Wolf . . . . .	20,156	135,322
Fox . . . . .	7,342	30,402
Marten . . . . .	1,797	20,760
Skunk . . . . .	33,815	25,896

The above table does not include foxes, marmots, badgers or gluttons.

## FOREIGN TRADE AND FOREIGN CONFIDENCE

In the year of 1920, when Military Communism was at its height, it required very clear vision to foresee the certainty of the re-establishment of trading relations and of an important commerce with Russia. But every year that has gone by since then has justified those who believed in the possibility of an economic compromise.

Now every month that passed sees some new development of the organization of foreign trade. Foreign Trade with Russia now depends largely on the growth of confidence outside Russia. The experience of those who have had dealings with Russia during the last few years is that her commercial standing is very high and that a contract made will be fulfilled to the letter. A further indication of the return of confidence is in the growth of concessions with foreign trade.

The types of concessions allowed are :—

1. Mixed Companies in which part of the capital is private and part supplied by the Soviet Government.

2. Export or Import concessions granted to ordinary limited liability companies or private capitalists.

Export or import concessions granted to limited liability companies are usually in association with a concessionary right to the exploitation of some part of the natural resources of the Soviet Union. The whole policy of concessions, however, of providing the means for the co-operation of private capital with the Soviet State is of assistance both in restoring confidence in the stability of Russia's Soviet constitution and in increasing the volume of internal and foreign trade.

The largest agricultural concessions are the Krupp concession in the Don Province and the von Rheinbaben concession in the German Volga Province.

There are in addition Timber Concessions, Mining Concessions and Fishing Concessions. It is significant that one of the first trading concessions was that granted to the Russo-German Trade Delegation in Germany at the end of the year 1922. This company has the right to open branches throughout the Soviet Union and the right to export with the permission of the Government. The exports of this Company in 1923 were of the value of over £73,000 and the imports with Russia were of the value of nearly £500,000 sterling.

A Russian-Austrian Trading Company also exists and imports with Russia large supplies of farming implements and agricultural machinery. Another Russian-Austrian Company, started in July, 1923, deals chiefly with electrical appliances. The turnover on June 1, 1924, was over £100,000.

Similar agreements exist in which American, British, German and other capitalists take part.

Important Anglo-British Companies are the Russo-British Grain Export Company and the Russian Wood Agency, Ltd.

The latest available list of concessions in operation (April, 1923) gives the following numbers —

Lumber, 6; gold-mining and oil, 10; industrial, 7; transport, 5; agricultural, 6; mixed trading, 19; miscellaneous, 7; and 14 other mixed companies in which the capital is predominantly Russian.

The number of firms of different nationality authorized to carry on trade (Decree of April 12, 1923) is as follows :

German, 21 ; British, 7 ; Italian, 6 ; Swedish, 3 ; American, 3 ; Persian, 3. Lithuanian, Latvian, Danish, Bokharian and Khorezmian, 1 each.

Russian trading and industrial organizations gave these firms credit for over £1,750,000 sterling in 1924, their turnover was about £5,500,000 sterling and the Russian Government has received over £1,250,000 in return.

### **The Future of Foreign Trade**

The State Control of Foreign Trade, modified and adapted to allow of the association of many and various institutions and of the private initiative of individuals, is proving a success. The future of the Foreign Trade of Russia will be one of steady development in which the difficulties, internal and external, will gradually be overcome. It is indeed probable that this trade in the next few years will surpass the pre-war level. It is also possible that a State-controlled Export and Import may have an important economic reaction on other great States in the world.

For individual enterprise outside Russia may well be at a disadvantage compared with the action of the Soviet State and the individual exporter or importer may be compelled to ask for State assistance in his turn.

In Australia and New Zealand, enterprise has already gone considerable lengths. In Canada big-scale enterprises are being very seriously considered. The world appears to be moving toward a more definitely regulated plan of the interchange of its commodities.

We may, indeed, be moving towards a condition in which the Soviet Monopoly of Foreign Trade will become the normal, and the unregulated private trading the exception.



## CHAPTER XII

### Co-operation

THE history of the Co-operative Movement in Russia goes back to 1864, when consumers' Co-operative Societies were first formed in that country, one Society being established in the Government of Perm and one in the town of Riga, the latter being now, of course, outside the boundaries of the Soviet Union. From 1864 to 1870 the movement grew slowly and was a movement not springing from the peasants or industrial workers' own initiative but from the ranks of the philanthropic middle classes. In fact, workmen and peasants at this period were not members of the consumers' Co-operative Societies established and had nothing to do with their management or the direction of their policy. A revolutionary movement existed at this early period, but was unconnected with the small beginnings of Co-operation. In the 'seventies and 'eighties of the nineteenth century an extension of the practice of Co-operation took place to factories and railway workshops. But these Societies, which were also consumers' Co-operative Associations, were established on the initiative not of the workpeople but of the management.

Independent working-class Co-operative Societies did not come into existence until 1905, the year when the first growlings of the revolutionary thunder began to be heard. But from that time and from 1907 especially, there has been a very rapid growth of consumers' Co-operation.

From the year 1864 to 1905 there were 1,807 consumers' Co-operative Societies established in Russia. From 1905 to 1914 there were 10,554 consumers' Co-operative Societies established, the majority of them, over 80 per cent., being in the villages. This comparatively rapid growth took place

against all kinds of difficulties and discouragements. The Tsarist Government discouraged Co-operation in every way, but as soon as the war began the advantages of Co-operation became so manifest that the movement grew very rapidly. In 1915 there were about 3,500 Co-operative Societies (consumers' Co-operatives) established; in 1916, 4,500 were established; and in 1917, 4,000.

The February revolution of 1917 gave an immense stimulus to Co-operation, and by January 1, 1918, the number of consumers' Co-operatives had reached 25,000 with a membership of over 7,000,000 persons.

After its early beginnings among the intelligenzia and benevolent employers, consumers' Co-operation in Russia found the soil in which it could grow easily in the peasant life of the villages. But during the war the number of consumers' Co-operative Associations among industrial workers also grew considerably.

Nevertheless, the consumers' Co-operative movement was never very closely linked with the revolutionary movement of the town workers up to the time of the 1917 revolution, with the result that when the Bolshevik party assumed power in October, 1917, the large consumers' Co-operative movement was not closely united with them and contained a large proportion of their political opponents. The effect of this political division had serious results for the Co-operative movement and for the country as a whole. Leaders and members of the Co-operative movement were politically opposed to the Bolsheviks and some took part against them in the civil war on the side of Kolchak and Denikin, with the inevitable result that the Co-operative movement came to be looked on as an enemy by the Bolshevik Government. For this reason, among others, the Bolshevik authorities did not at first make a full use of the Co-operative organization.

When private trading was "nationalized" in the period of military Communism, the State attempted to set up its own Soviet shops in the towns and villages. The immediate difficulty of organizing these became clear as soon as it was attempted and the Bolsheviks then turned to the Co-operative Societies and endeavoured to use them as organs of the State

machinery. Thus by the decree of April 12, 1918,<sup>1</sup> all persons, whether previously members of Co-operative Societies or not, were permitted to make purchases at the Co-operative Stores. By the decree of November 2, 1918, every consumer had to become a member either of a consumers' Co-operative Association having its Co-operative shop, or alternatively to become a member of a Soviet shop. By the decree of March 20, 1919, the Soviet shop was abolished, however, and every citizen had to join the consumers' Co-operative organization of his town, but was not required to make any payment as fee on account of his membership. If anyone did not join, then he was to be debarred from making any purchases or obtaining any goods at the Co-operative Stores.

The attempt of the Communist Government to abolish private shops and private trading was one of the signs of the extreme development of its policy of military Communism. Private trading was at this period described as speculation and punished as a crime. Nevertheless, by March, 1919, after little more than a year of Communist control, the Soviet shop was abolished by decree and the effort made to capture the Co-operative machinery for Communist purposes. More and more, therefore, from March, 1919, did Co-operative organizations come under the control and direction of the Central Government machinery.

Thus the power of independent purchase of goods exercised by the Co-operative Societies prior to 1919 was gradually lost, and by the spring of 1921 all Co-operative organizations had lost this right of purchase independently and were compelled to purchase from the Government Supply Department, the Narkom productoff. In 1921 also all Co-operative organizations were compulsorily united into Gubernia organizations, the so-called Gubsoyus, and from annual meetings of the Gubsoyus delegates were chosen as members of the All-Russian Co-operative Organizations, known as the Centrosoyus. This was not the first appearance of the Centrosoyus in Russian affairs. In 1898 the then existing Co-operative organizations in Russia united together as the Moscow Union

<sup>1</sup> *Present-day Co-operation*, by N. L. Mesheriakov. Moscow, 1924.

of Co-operative Associations, a body which later changed its name to Central Union or Centrosoyus.

But the Centrosoyus before the 1917 revolution was a body representing independent consumers' Co-operative Associations with a voluntary paying membership voluntarily federated with one another for purposes of mutual interest. The form of Centrosoyus brought into existence by the Bolshevik decree of March, 1919, was a compulsory organization of compulsory Co-operative Associations on a basis of the territorial division of Gubernias compulsorily united into a central organization. This Governmental co-operation was, in fact, an effort at the organization of the whole of the citizens as consumers, and inasmuch as its chief officials were nominated in practice by the political party in power, it served not as the instrument of Co-operation, but as that of the Government policy of goods distribution.

This effort at substituting a centrally controlled Government distribution for an uncentralized and spontaneous Co-operative activity (for by 1918 the principles of Co-operation were firmly rooted in the peasant soil) was one of the reasons of the Government's failure to get from the peasants the food-stuffs and vegetable raw materials necessary to supply the needs of the population. For this and other reasons the Government decided in the spring of 1921 to carry out the New Economic Policy previously proclaimed by Lenin and to allow goods to be distributed by ordinary trade. One of the first results of this was the substitution of a food tax on the products of the peasant instead of the former communistic ingathering, and more important still, the granting of the right to sell surplus products by the peasant in his own way and by his own methods.

From this moment private trade became legal again and began to develop quickly and the Co-operative Societies regained their right to make purchases independently of the Central Government Departments. This of course led at once to the demand from the Co-operative Societies for the right to own their own financial resources, and by the decree of April 7, 1921, Co-operative organizations were given the right to charge entrance fees and to charge subscriptions for

membership. A further decree of July 26, 1921, gave Co-operative Societies the right to borrow money either from organizations or from private persons.

### Administration of Co-operative Societies

At the period of maximum development of Government Co-operation the administration had to be carried on as the consumers' side of Communal activity and its organ of government was the general meeting of men and women in the town or village concerned. Every one at this period had to be a member of the Co-operative Association, and every one, with the exception of certain specified classes of persons, had the right of taking part in the administration of the affairs of the Co-operative Association.

The closeness of the parallel of the method of the consumers' organization with that of the general political organization is seen by a study of the list of persons excluded from participation in the management of Co-operative Associations.

These are as follows :—

1. Persons who hire labour for the purpose of making a profit.
2. Persons living on the interest of invested capital, also private traders and similar persons.
3. Monks, priests, and all church servants.
4. Persons formerly employed as police, gendarmes, orderlies, guards or in a similar capacity.
5. Insane or mentally abnormal people.
6. Criminals during the period of punishment prescribed by the Courts.

Apart from these persons, all other adults had the right to attend meetings and take part in the election of the management either as voters or as candidates. The management of a town or village consumers' Co-operative Association consisted of not less than three persons elected for a year and paid a salary for their work.

### The Centrosoyus

The first beginning of the Centrosoyus dates back to 1898, when the Moscow Union of Co-operative Associations was

established for the purpose of uniting eighteen independent Societies widely dispersed over Russian territory.

Despite the efforts of the Tsarist Government to hinder its development, this Co-operative Union expanded rapidly and at the beginning of 1913 it united 776 Co-operative Societies. The change of name to Centrosoyus took place early during the period of the World War, and by the beginning of 1918 the Centrosoyus united 3,317 Co-operative Associations. During the period of Government Co-operation all consumers' Co-operative Associations were grouped as members of the Gubernia Co-operative Union, known as the Gubsoyus, and the Gubernia organizations were again grouped together to form the Centrosoyus. The principle of indirect election which is such a marked feature of the Soviet system was carried into Co-operative organization and the Trade Unions were also given a large share of authority, thus carrying out the principle of the greater representation of the industrial proletariat as against the peasants which characterizes the Soviet organization. Thus the management of the Gubsoyus was in the hands of the meeting of delegates from the consumers' Co-operative Associations in Gubernia, to whom were added representatives of the Trade Unions with a total representation of not less than one-third of the total number of delegates.

Each delegate had one vote only and all questions were decided by a majority of votes.

From this assembly of delegates of the Gubsoyus were elected representatives to serve on the Centrosoyus.

The current affairs of the Gubsoyus were managed by a body of not less than five persons, elected by the annual meeting of delegates, to whom were added representatives of the Gubernia council of National Economy who had equal rights of voting with the elected members. The management met at least once a week for the transaction of business.

In practice the area of the Gubernia was divided up into districts (Rayons) which were managed by a committee consisting of a chairman appointed by the management of the Gubsoyus, and not more than four members elected by the delegates of the Rayon concerned. The object of the Centro-

soyus was to help the Gubernia Co-operative Unions in their work, to arrange wholesale purchases on account of the Gub-soyus, to enter into relations with State departments and to open up relations with foreign Co-operative Associations.

Since the coming of the New Economic Policy of 1921, the tendency has been toward modification of the rigidity of this organization. Thus by the decree of April 7, 1921, groups of consumers working in one establishment or in one trade or profession were allowed to organize Co-operative Associations for their own purposes on the basis of a voluntary membership. It was explained that "the purpose of these organizations is to bring Co-operation nearer to the consumers and to give the members of these Associations the opportunity of obtaining greater amounts of goods than could be distributed by the Centrosoyus."

The progress of the New Economic Policy eventually made the earlier system unworkable, and by the decree of December 30, 1923, the obligatory membership of Co-operative Societies was abolished, and with it the last attempt of the State to organize the retail distribution of commodities as a whole.

Membership of consumers' Co-operative Associations is now purely voluntary, and each member is required to pay fees. But the abolition of compulsion did not create members, and at the end of 1923 the Co-operative Associations were in a very remarkable and very difficult situation. The Centrosoyus possessed a network of consumers' organizations all over the country, but they had no members. Under these circumstances a campaign to attract members was planned, and the objective aimed at was the enlisting of 15 per cent. of the peasant households and 25<sub>0</sub> per cent. of the Trade Unionists by January 1, 1925.

But the campaign was more rapidly successful than was anticipated, for Co-operation had struck root in Russia and if allowed to grow voluntarily was bound to reach very great dimensions.

Mr. Tihomirov, writing in *Economic Life* on March 18, 1924, said that the campaign had already given very good results. In eighteen Gubernias the proportion of 15 per cent.

of peasant households had already been reached or exceeded, in some cases very greatly exceeded, and since that time the growth has gone on.

LIST OF GUBERNIAS IN WHICH THE PROPORTION OF PEASANT HOUSEHOLDS WHO ARE MEMBERS OF CO-OPERATIVE ASSOCIATIONS EXCEEDED 15 PER CENT. OF TOTAL NUMBER IN MARCH, 1924

Gubernia.	Calculated number of population equalling 15 per cent. of households,	Actual number of population associated with village co-operation.
Archangel . . . . .	11,130	45,873
Gomel . . . . .	9,261	25,851
Ekaterinburg . . . . .	50,103	110,361
Ziryan . . . . .	5,319	8,000
Kuban . . . . .	55,258	148,000
Moscow . . . . .	37,144	140,778
Novgorod . . . . .	24,254	25,000
Penza . . . . .	45,263	52,000
Leningrad . . . . .	22,465	47,957
German Communo . . . . .	10,046	12,325
Tsaritsin . . . . .	10,526	70,000
Tcheliabinsk . . . . .	33,735	90,000
Karelina . . . . .	3,394	8,243
Crimea . . . . .	10,786	15,000
Yaroslav . . . . .	15,724	20,000
Omsk . . . . .	40,911	40,000
Irkutsk . . . . .	19,158	21,377
Terskaya . . . . .	4,494	9,220

The Gubernias of Vologda, Kursk, Stavropol, Rybinsk and Perm had nearly reached the 15 per cent. level by March, 1924, and the membership campaign was producing striking results all over Russia.

Thus in the Nijni-Novgorod District Co-operative Society there were 12,000 members in the villages and 48,000 in the towns on June 1, 1923; but by October 1, 1923, the figures had grown to 22,218 and 56,496 respectively. In the Vitebsk Union there was an 87 per cent. increase of membership in the villages between October and December, 1923, and a 4 per cent. increase of membership in the towns. In White



Russia the membership grew from 9,305 on January 1, 1923, to 38,325 on January 1, 1924. The same kind of growth took place also in Siberia, as the table below shows :—

GROWTH OF MEMBERSHIP OF CONSUMERS' CO-OPERATIVE SOCIETIES  
IN SIBERIA IN 1923

District.	Number at beginning of 1923.	Number on December 1, 1923.
Novo-Nikolaievsk . . . . .	6,053	18,037
Tomsk . . . . .	13,000	15,000
Yeniseisk . . . . .	3,174	12,000
Omsk . . . . .	18,491	40,000
Irkutsk . . . . .	10,763	21,377
Altai . . . . .	2,000	19,808
Semipalatinsk . . . . .	3,000	6,627

Again, in the Tula district from July to December, 1923, the increase in the villages was 32 per cent. and in the towns 60 per cent., and in Saratov, Tambov and other places similar increases took place.

To sum up, it has been calculated that in 1916 the total number of members of consumers' Co-operative Societies reached over 5,000,000 persons and by 1918 over 7,000,000 persons, and already by the middle of 1924, after the removal of the restriction on co-operation, the number of members had nearly reached 7,000,000 again, and this tremendous increase occurred despite the fact that the supersession Co-operative development by the Government use of Co-operative machinery to organize distribution during the intervening period had paralysed the voluntary principle for some years. It will be observed that the decree abolishing compulsory Co-operation only came into legal effect on December 30, 1923, but that the voluntary movement started before this.

In this, as in other matters, the forces shaping Russian policy have been the facts of economic existence, because by its means the resources of the country could be more fully and freely used by the population and because the State Co-operation was already dead before the decree was drafted.

### Credit Co-operation

The first credit Co-operation Societies were established in the 'seventies of the nineteenth century, the decade following the first establishment of consumers' Co-operative Associations, but the growth of credit organization at the beginning was even slower than that of consumers' Societies.

By the end of the 'seventies of the nineteenth century over 700 credit Co-operative Associations had been established, but the movement did not extend, and during the latter years of the last century the number of credit Associations instead of increasing actually diminished. But at the end of the last century credit Co-operation was reorganized. In 1902 there were about a thousand organized credit Co-operative Associations existing; by 1912, over 11,000; and by 1916, over 16,000.

The union of these credit Associations was clearly a desirable business arrangement from the beginning, but the movement toward union was obstructed by the Tsarist Government. By 1912, however, the movement had become so strong and important that it was able to create a centre Union in the Moscow Narodny Bank. The conditions of war-time were, however, unfavourable to the development of credit Co-operation, and the conditions of civil war and blockade which followed the peace of Brest-Litovsk were still more unfavourable, so that for a period the activity of credit co-operation was brought to a standstill. Another factor which operated adversely was the Government policy of military Communism, in which the credit Co-operative machinery found no place. And by the decree of January 27, 1920, the Soviet Government ordained the complete stoppage of all activities of credit Co-operative Societies. As soon, however, as the New Economic Policy had got under weigh, the necessity for special credit facilities for Co-operation became evident, and finally decrees of January and February, 1922, re-established credit Co-operative Associations and placed their work on a legally recognized basis.

The present basis of credit Co-operation in Russia is that of a voluntary membership, with the proviso that each Co-operative Association must have not less than fifty members.

The union of these individual Co-operative Associations is permitted, if not less than three associations join. The work of these credit Associations is controlled by their members, but all of them require to be registered with the district or Gubernia authorities according to the area over which their operations extend. Unions of credit Co-operative Associations covering the whole of Russia have to be registered by the Supreme Economic Council.

The resources of credit Co-operative Associations are derived from shares of individual members, credit advanced by Government, loans from individuals, entrance fee, and profit on credit operations. These credit Associations are permitted to accept deposits, issue loans on credits, make advances against personal property and conduct business on commission.

### Co-operation of Producers

The Soviet of Peoples' Commissars at a meeting in May, 1921, laid down the general principles which were to guide the application of Co-operative principles to small industries, to peasant craft industries (Koustar) and to agriculture, and these principles may be summarized as follows:—

1. All necessary measures are to be taken to develop Koustar industries, small private industries and if possible agricultural Co-operation.
2. All needless rules and formalities which restrict individual or group initiative are to be dispensed with.
3. Peasants, Koustar workers and small producers are to be allowed to dispose freely of the goods produced by them except in the case of goods made from raw material supplied by the Government on special agreed conditions.
4. Labour legislation protecting the worker to be strictly enforced and the position of Government institutions as regards the supply of labour, materials, fuel and necessary provisions generally to be safeguarded.
5. The co-operation of small producers to be encouraged and to assist such Co-operative associations by (1) giving preference to co-operators over private producers; (2) by advancing to Co-operative associations

work, money and necessary materials; (3) to give preference to Co-operative associations in the allocation of buildings and tools.

6. Prosecution of Co-operative associations in case of breaking of contract or improper use of Government material to be exclusively by legal process in due form of law.
7. To encourage agricultural Co-operation and in particular such Co-operative associations as use machinery with the object of supplying the Government with farm products such as grain and cattle.
8. To take all necessary measures to improve the cultivation of the land by promoting all forms of agricultural Co-operation designed to increase production.
9. To all Gubernia Economic Conferences and conferences of Gubernia Agricultural Soviets to discuss the development of Co-operative trade
10. In the case of the organization of small industrial, Koustar and agricultural Co-operation to maintain the principles of free association, voluntary membership and free election of management committee.

This declaration of principles which lays the foundation of a great development of Co-operation was signed by Lenin on March 17, 1921, and has had very far-reaching results, and it seems probable that Russia will realize during the next few years a greater extension of Co-operation than has ever yet taken place.

A decree of May 17, 1921, elaborated the principles laid down in the decree of March and went further in the direction of permitting free forms of association. Thus workers in the same occupation whether small industry or koustar industry are given the right of forming Associations for all purposes for which Co-operation can be used in production, sale or purchase of commodities, with the proviso that the members must not be less than five. It is laid down that the work done must be carried on by the labour of those entering into the Co-operative arrangement themselves, but in the case of work requiring special knowledge, outsiders may be brought in if their number does not exceed one-fifth of the number

of members of the Co-operative Association. And in certain circumstances hired labour may be employed within the limits of Gubernias, free association of Co-operative Associations is allowed, but no one is allowed to be a member of more than one Co-operative productive association in the same industry at the same time.

Co-operative Associations are specifically given the status of juridical persons under the provisions of the Civil Code and as such have all the rights, duties and responsibilities of juridical persons, they can enter into contracts, can sue and be sued, lease buildings or other premises, open workshops or factories and freely dispose of their produce.

The products of productive Co-operative Societies are specifically exempt from nationalization and municipalization and requisition exchange for payment or confiscation without such payment are only allowed by order of the Courts, or on the basis of special regulations of the Soviet of People's Commissars. The meaning of these regulations is that the somewhat arbitrary period of the exercise of revolutionary power had already passed by the beginning of 1921, and the regulations with regard to requisition and confiscation of produce, a legal condition which is closely parallel to that existing in Great Britain where, in the time of war or grave emergency, similar powers may be called into existence by the Government as in Russia by the Soviet of People's Commissars whom are the Cabinet of the Government of the Soviet Union.

But the regulations of this decree not only grant freedom to co-operate, but also lay down that the "Government and all organs of the Government administration" should help peasant craft producers (koustar workers) to co-operate and to this end should (1) give Co-operative Associations preference over private individuals when giving orders for products; (2) advance to Co-operative organizations, money and the raw materials of manufacture; (3) to give Co-operative Associations preferential treatment when allotting premises or tools.

It was, of course, particularly necessary to help productive Co-operative Associations, as their organization had been

completely submerged in the Government Co-operation during the period of military Communism, and their activities seriously restricted. In the military Communist period the whole emphasis was laid upon large-scale production and peasant production and small-scale production generally was definitely discouraged. It was the peasants' duty to use the land and provide the corn and meat required for the towns. It was the towns' business to manufacture and supply the goods required for and equitable exchange with the peasants. When the attempt at this system was given up and the New Economic Policy initiated the pendulum had swung so far in the military Communist direction that it had to swing back a long way in the direction of the encouragement of small industries and voluntary co-operation. And in the decree now being discussed (Clause 8) goes so far as to exempt productive Co-operative Associations from supervision by the Workmen's and Peasants' Department of Inspection which has acted as one of the chief means of regulating production in the country as a whole.

Productive Co-operative Societies are managed by general meeting or by meeting of delegates and management. The details are laid down and follow the usual line of Soviet practice which in cases of organizations dealing directly with a comparatively small number of persons, does not involve any indirect election, and is very fully representative. Any body of persons wishing to set up a productive Co-operative enterprise, have only to register it with the Gubernia authorities unless it is intended to found an organization of greater range, when the permission of the Central Government is required. But in the case of Gubernia organizations the registration takes place automatically on application unless the Gubernia authorities disallow the registration within one month on the only allowable objection, viz. that the constitution of the body does not conform to the statute.

The final clause of the decree—signed not by Lenin alone, but by Kalinin, Lenin and Enukidze—state that the carrying out of its provisions is the business of the Supreme Council of National Economy.

Another decree of May, 1921, deals with agricultural Co-

operation, and gives the peasants the same right of free association as is given to Koustar workers. In the same way the products of such Co-operation are guaranteed against requisition or confiscation, and the other provisions of the decree are almost identical. Agricultural Productive Co-operative Societies also fall under the general administration of the Supreme Council of National Economy.

### Progress of Agricultural Co-operation since 1921

The progress of Agricultural Co-operation since 1921 has been of a very striking character. Not only has there been a bulk increase in production but there has been a great growth in the forms of Co-operation. In the years 1923 and in the first part of 1924 Co-operation grew at such a pace that it was impossible to get them all inside the Co-operative Unions, so that about 30 per cent. of the organizations remained unaffiliated.

The present Russian view on Agricultural Co-operation is expressed by a Russian authority on the subject by saying : "Agricultural Co-operation is the only possible and rational method of effecting the transition from a system of individual small farming, to a system of agricultural large-scale husbandry on collective lines, inasmuch as Agricultural Co-operation communizes step by step the various lines and elements of the peasants' husbandry and stimulates the productive forces of agriculture."

This may be regarded as the official view and holds before it the aim of a communized agricultural production. The peasant certainly does not concern himself with any abstract ideas of this nature, but supports Co-operation because of its immediate practical benefits. By April, 1924, Co-operation was applied to about 10 per cent. of the whole of the agriculturalists of the Soviet Union and since that time the growth ~~has~~ been continued.

The various forms of Agricultural Co-operation may be described as follows :—

1. Organization of credit.
2. Co-operation in marketing on home and foreign markets.

3. Co-operation in the supply of tools, machinery and the instruments of production generally.
4. Co-operation in labour applied to products of farming prior to their being marketed.
5. Primary Agricultural Production.

But the key-form of the local Co-operative Associations is the universal association functioning as the combined instrument of marketing, supply, credit and production. This is described as the "one village, one association" scheme which has the great advantages of economy and especially the saving of overhead expenses. This system is popular and is very widely spread, but the many rural activities to which Co-operation is applied call into existence a great number of Co-operative Associations of special type.

These Associations take the following forms, but the list is not exhaustive.

*A. Credit and Agricultural Associations.*

1. Agricultural productive associations without other objects.
2. Agricultural productive associations with credit functions.
3. Credit associations only.

*B. Collective Husbandries.*

1. Agricultural communes.
2. Land tillage associations.
3. Agricultural labour associations for production.

*C. Subsidiary Productive Associations.*

1. Cattle breeding associations.
2. Co-operative associations for use of agricultural machinery.
3. Land improvement associations.
4. Cattle testing associations.
5. Miscellaneous associations.

*D. Marketing Associations.*

1. Milk.
2. Eggs.
3. General agricultural produce.
4. Flax.
5. Sugar beet.
6. Seed.
7. Vegetable.
8. Fruit.
9. Tobacco.
10. Cotton.
11. Other marketing associations.



*E. Combined Producing and Marketing Associations.*

1. Butter making plants.
2. Cheese making plants.
3. Mixed dairy plants.
4. Starch making plants.
5. Fruit preparing plants.
6. Vineyards and wine producing plants.

*F. Miscellaneous.*

1. Agricultural aid societies.
2. Electricity using associations.
3. Milling and oil plants.
4. Fisheries.
5. Combined agricultural and koustar associations.
6. Lumbermen's associations.
7. Koustar associations.

The great number and diversity of these organizations which have all come into being since the institution of the New Economic Policy in 1921 are in themselves evidence of the vitality of the movement. For these Co-operative Associations, while helped and aided by the Government, given preference in case of State purchases and assisted with loans both of money and of raw materials, are essentially spontaneous voluntarily organized associations with the least possible governmental formalities and enjoying the widest freedom in their powers of work and of association.

The table on p. 373 gives a picture of the numerical growth of the associations up to the spring of 1924.

If the figures of the Ukraine are added, the total number of Agricultural Associations (without collective farms) reaches 21,066 with a membership of 1,644,684, and the collective farms make 11,835 with a membership of 135,233. Members of Associations in the above figures correspond for practical purposes with farmers, and as the number of peasant farms in the Soviet Union is 17.7 million, the above figures indicate that about 10 per cent. of all peasant farms are in one way or another linked up with Co-operative Associations. How rapidly Co-operation is spreading is seen in some statistics of the growth of Co-operation in Russia in twenty-six Unions of Societies in different parts of the country in the first quarter of 1924. During this period the number of local Co-operative

AGRICULTURAL ASSOCIATIONS IN THE SOVIET UNION IN THE SPRING OF 1924 (THE UKRAINE EXCLUDED)

Kind of Association.	Federated.			Unfederated.		Total.	
	No. of Associations.	Membership.		No. of Associations.	Membership.	No. of Associations.	Membership.
General agricultural . . . .	5,000	239,460		2,020	201,740	7,020	441,200
Agricultural credit . . . .	2,580	286,430		—	—	2,580	286,430
Credit banks . . . . .	950	136,630		200	28,000	1,150	164,630
Collective farms . . . . .	5,660	59,170		3,720	39,060	9,380	98,230
Associations of agricultural workers and subsidiary Associations . . . . .	900	24,100		720	19,230	1,620	43,330
Dairy (milk, butter and cheese)	2,600	241,800		—	—	2,600	241,800
Other marketing and producing . . . . .	110	30,320		—	—	—	—
Marketing, non-producing . . . .	800	132,050		300	17,900	1,100	149,950
Miscellaneous . . . . .	110	13,000		—	—	—	—
Village craftsmen and lumbermen Associations . . . .	18,710	1,162,960		7,560	305,980	26,050	1,425,620
TOTAL . . . . .	19,600	1,205,580		—	—	27,030	1,468,240

<sup>1</sup> The number of unfederated Associations is reported to be very great.

Associations increases by 16 per cent. and their membership by 33 per cent.

### The Unions of Agricultural Co-operative Societies

The local Co-operative Associations established all over the Soviet Union are united into numbers of Unions and Federations. At the beginning of 1924 the total number of Agricultural Unions, including those of mixed type, amounted to 390, among which were 65 Unions, and the Ukraine with their own independent Ukrainian Central Association, the "Selsky Gospodcr." Of the receiving Unions 56 covered a territory of less than one uyezd or county; 154 were uyezd Unions; 37 covered an area greater than a county but less than a Gubernia; 38 were Gubernia Unions; 13 were Unions covering the territory of Self-Governing Commonwealths (Autonomous Oblasts); 3 were regional Unions, viz., that of the North-West, that of the South-East and the Siberian Union; 4 were national Unions, viz., the All-Russian Union of Agricultural Co-operation, the Selskosoyus; the All-Russian Union of Flax-Growers, the Lnozentre; the All-Russian Union of Potato-Growers, the Soynskartofel; and the All-Russian Union of Lumbermen, the Wsekoless. On the average Co-operative Associations uniting into Unions of less than an uyezd or county in area number 22.5; county Unions contain 51.5 Associations; those greater than a county but less than a Gubernia are 78.8 in number; while Gubernia Unions join 129.3 local Associations together.

The tendency is now towards specialization of the Unions of Co-operative Associations; for instance, the Selskosoyus is being gradually subdivided into special Unions when specialized development of departments make them ripe for separate organization. The formation of the Unions of Flax-Growers, the Lnozentre, in 1922, was an example of this tendency, as is also the formation of the Union of Dairying Associations, but the tendency to specialization of function runs parallel with the tendency to increasing federal unity. Thus all newly established national Unions become members of the Selskosoyus, and almost all local Unions are simultaneously members of both their respective national Unions and of the Selskosoyus.

The Selskosoyus is the recognized representative of Russian Agricultural Co-operation in all official matters and has its representatives abroad as well as in Russia. There are 108 Unions directly linked up with the Selskosoyus, 179 local Unions affiliated with the above-mentioned 108 Unions, 14 Unions independent of the Selskosoyus, 37 Unions affiliated with the Lnozentre and 14 Unions with the Soyuskartofel.

### **The Administration of the Co-operative Unions**

At the beginning of 1924 there were 1,300 persons elected on to the administration of the Central Co-operative Unions in the Soviet Union and 801,000 persons elected on to the administration of the local Associations. In addition to these persons the Unions employed 20,000 persons in their administration, and the local Associations about 100,000, giving a total of about 200,000 persons working in the administration of Co-operative work. The figure is sufficiently large to be significant for any country, for Russia it has a particular significance, as it is and was precisely in such social and business training that Russia was and is most behindhand. Co-operation is becoming one of the great training-grounds for public workers and extends its work not only over the field of local production but over the national field and abroad.

But the central and local Unions have branch offices and agencies in different parts of the country, and the Selskosoyus has affiliated organizations in Riga, Berlin, London, and New York, while the Siberian Union has many agencies in the Far East.

### **The Finance of Agricultural Co-operation**

Agricultural Co-operation started work in the Soviet Union in 1921 with very small funds. The Selskoyus in 1921 possessed only about £2,000 in property and £1,000 in working capital. The local Unions and Associations were in a similar plight. But the immediate growth of Co-operation was rapid, and by the end of 1923 the working capital of local Unions increased five times, and the total working capital of the Unions and Associations (the Ukraine excluded) amounted on January 1, 1924, to over £5,000,000. During 1923 and the first

quarter of 1924 the increase in capital of the national Unions was to  $8\frac{1}{2}$  times that at the beginning of 1923, the local Unions increased 5 times and the local Associations  $3\frac{1}{2}$  times, the total balance sheets showing a figure of over £25,000,000.

The balance of the Selskosoyus on January 1, 1924, was over £2,000,000 sterling; that of the Lnozentre (Flax-Growers) over £750,000 sterling; the Soyuskartofel (Potato-Growers) over £250,000. During 1924 there was a great development in export of flax, general farm produce and butter, largely with British and German firms, the business representing values of millions of pounds sterling.

Great attention is being paid to the development of Agricultural Credit Co-operation, with the hope of attracting the considerable local deposits which were a feature of the activity of these Societies before the war. One method is by advancing to these Associations long-term credits. At the beginning of 1924 the number of Agricultural Credit Societies was 25 and they were headed by the All-Russian Central Agricultural Credit Bank. On January 1, 1924, the balances of 22 of these Agricultural Credit Societies amounted to over £1,750,000 sterling.

### **The Business Organization of Agricultural Co-operation**

Two large departments for the activities of Agricultural Co-operation are the marketing of farm produce and the supply of tools and machinery. In both of the spheres of action the Co-operative Association acts as the intermediary between the peasant producer and the State or Foreign manufacturer or buyer. The problem of the supply of tools and machinery was and is a very great one, for it involves the restocking of farms, the replacing of tools and utensils, the formation of stocks of seed, the provision of warehouse and storage accommodation, the supply of fertilizers and weed-killers. On the side of marketing the problem is no less great.

An investigation carried out in 1923 covering 10 per cent. of the typical Agricultural and Credit Associations give the following results: The average purchases and sales of these organizations in 1923 amounted to about £400 and £300

respectively, but the trend of business showed a sixfold increase of purchases as between January and December of that year and a sevenfold increase of sales.

During the first two quarters of the year the turnover was stable at about 13 per cent. of the year's total, the third quarter shows an increase to 25 per cent. and in the last quarter the turnover is nearly 50 per cent., this being the quarter of intensive sales.

Another factor, however, which entered into sales and purchases in 1923 was the wide divergence of agricultural and manufacturing prices during the first half-year and the much nearer approximation during the second half. During the first half-year the economic "scissors" were widely apart, but during the second half of the year they were much nearer together. A marked tendency of 1923 was that of effecting sales through the Unions of Co-operative Associations and not directly; thus about 40 per cent. of all goods produced were sold through the Unions and about 75 per cent. of all purchases made were made through the Co-operative Unions.

Basing an estimate on the figures obtained in this investigation of 10 per cent. of Co-operative Associations, we may estimate that the total value of business Agricultural and Credit Associations (excluding those of the Ukraine) was over £7,000,000. Estimates of the business of the Unions are of a more precise character and give us for 1923 purchases over £6,500,000, and sales over £6,300,000, but the striking fact about the business done is that the amount of business in December, 1923, was eleven times that done in the preceding January. The gross value of the total sales of all goods by all kinds of agricultural Co-operative Associations in 1923 was over £17,000,000, local Co-operative Associations being over £7,500,000, local Co-operative Unions nearly £6,500,000 sterling, Gubernia Unions about £500,000 sterling and National Unions nearly £3,000,000 sterling. Estimating the business of the Ukrainian Co-operatives at one-fifth of the rest, we get a total figure for the business turnover of the Co-operative Organization of the Soviet Union of over £20,000,000 sterling. The total value of business of the Soviet Union is estimated at £300,000,000 sterling, so that

Co-operatives can be considered to take between 6 and 7 per cent. of the total.

### Recent Developments of the Agricultural Credit System

The functions of agricultural credit in the U.S.S.R. are threefold ; viz.,

(1) To provide " social insurance " in a wide sense to the peasant population and in small agricultural industries, i.e., to prevent a fall below the present low standard of life and primitive methods of production in the face both of the normal difficulties of backward rural communities, and of the exceptional problems due to the moral and material loss and disorganization of the years of war, revolution and blockade.

(2) To raise the standard of life of the rural worker to the same level as that of the skilled urban artisan, i.e., to bring him secure prosperity and with it new cultural demands and a more developed political consciousness. It is, of course, the hope and expectation of the Communist theorists that an educated peasantry will adopt a strictly communal economic and social organization and thus, in accord with the urban proletariat, remove the last resting-place of anti-social individualism.

(3) From the strictly financial point of view to provide the financial stimulus to agricultural production in excess of the actual agricultural needs of the rural population.

In Tsarist Russia the functions of agricultural credit were undertaken as far as the large landowners were concerned by various banks, but for the peasants the only resource was their own " mutual aid " and Co-operative Societies in the villages, of which there were 30,000 with 13,000,000 members in 1917, and the district and provincial federations of such Societies. These Societies did excellent work in introducing new methods in encouraging agricultural industries, and in selling produce, but their financial resources were always quite inadequate. Suppressed in the epoch of " military " Communism, they were given every encouragement upon the introduction of the New Economic Policy in 1921. They have multiplied and flourished apace, attracting not only enthusiasm and ability,

but very considerable peasant savings (the importance of such investments for the political equilibrium of the U.S.S.R. cannot be over-emphasized) and they form the solid basis of the U.S.S.R. agricultural credit system.

To administer State loans and subsidies, and undertake banking functions generally in connection with agriculture, the State Bank of the U.S.S.R. (i.e., the analogue of the Bank of England, the Central Bank credits, etc.) delegated its functions in 1921-23 to various institutions, which worked in such disharmony that a unifying and regulating agency became essential.

### The Central Agricultural Bank

The Central Agricultural Bank was therefore founded in March, 1924, as a joint-stock company; its founders were the Commissariat for Finance of the U.S.S.R., the Commissariats for Agriculture of the R.S.F.S.R. and its allied Republics, and the All-Russian Union of Agricultural Co-operatives.

*Capital.*—(A) The "basic capital is to be 40,000,000 roubles, in 400,000 one-hundred rouble shares, and of these not less than 51 per cent. must be held by the founders or State institutions. The bank commenced operations when 15,000,000 roubles had been subscribed and deposited at the State Bank, and at the end of 1924 its basic capital was 25,000,000 roubles. This basic capital may at any time with the sanction of the Commissariat for Finance of the U.S.S.R. be increased beyond 40,000,000 upon the decision of the shareholders.

(B) Reserve capital is to be accumulated from special allocations out of profits and the interest thereon, and is to amount to one-half the basic capital. It is to be deposited in the State Bank, and to be used to make good any losses incurred by banking operations.

(C) Special capital. Special funds may be formed by the decision of the shareholders to finance branches of agriculture or to carry out special objects. Such special funds are to be formed by (1) allocations from profits; (2) the issue of loans with the sanction of the U.S.S.R. Commissariat for



Finance ; (3) accepting deposits by agreement for special purposes ; (4) the receipt from the State of sums for special purposes. The working capital at the end of 1924 totalled 86,000,000 roubles, made up as follows :—

	Roubles
Basic capital . . . . .	25,000,000
Loans at the State Bank . . . . .	25,000,000
Repayments of short-term loans of 1st working year . . . . .	17,600,000
Repayments of long-term loans of 1st working year . . . . .	300,000
Repayments of short-term loans of 2nd working year . . . . .	18,000,000

*Aims.*—The aims of the bank, as defined in the constitution are : (1) To investigate and attract new sources of assistance for the agricultural industries of the Soviet Union ; (2) to unify and utilize systematically all State capital assigned for assisting agriculture and agricultural industries ; (3) to supply both long and short term credits to public and Co-operative institutions or enterprises engaged in agriculture or agricultural enterprises ; (4) to develop and strengthen agricultural credit by co-operating in the development throughout the Soviet Union of a network of small agricultural Credit Societies.

The bank has laid down the following general regulation as to the purposes for which it will grant credits in the current year : “ The credits of the Central Agricultural Bank should in every case be intended to achieve a definite aim, and should have as their general object the advance of the various branches of agricultural economy ; in view of the fact that credit resources are limited, they should be concentrated on the essential branches of agriculture in a given region, i.e., on those branches which exercise a decisive influence in the direction and development of agriculture in the region as a whole.”

*Granting of Credits.*—The bank will grant short-term credits up to 12 months, and long-term credits up to 5 years, for the following purposes : (1) The introduction of improvements in agricultural methods ; (2) the extension of the area of tillage and the introduction of every sort of land improvement ;

(3) experiments in special branches of agriculture ; (4) establishing enterprises for working up agricultural products ; (5) establishment and support of selling agencies ; (6) purchase of seed, live stock and other working capital.

*Special Features of Agricultural Credit Requirements.*—A fundamental characteristic of agricultural credit business is the seasonal nature of its requirements. In the early spring, before the commencement of sowing, the peasants (besides the purchase of seed) acquire working and breeding live stock, machinery and implements, mineral manures and means for combating pests, etc., etc., and also undertake repairs. These expenses, incurred in respect of the main resources of the holding, can only be met by means of several harvests, and thus the appropriate credit and finance should be mainly on a long-term basis. Just before harvest there is a second period of acute financial strain varying in different economic areas, but in any case requiring short-term credits. A third period occurs after harvest, when capital is required for the initial working up of produce, payment of taxation, etc.; credit at this period can also be of short-term character. Apart from these three main cycles in the turnover of agricultural credit, there are other requirements which are subject to a periodicity of their own, e.g., land improvements, timber, handicrafts, etc., but in the near future only small sums will be allotted to such purposes.

*Machinery of Credit Distribution.*—In financing schemes that effect the whole of the U.S.S.R. the Central Agricultural Bank may operate directly without intermediaries. Otherwise the bank will grant loans to the agricultural banks of the constituent Republics of the U.S.S.R., to agricultural trading co-operatives, and to certain Co-operative Unions which supply agricultural machinery, storage facilities, etc. The Republic banks finance Gubernia and district credit companies, which in their turn finance local and village societies, reaching finally (and with every precaution that administrative expenses shall not reduce the available resources *en route*) collective farms, individual enterprises and co-operatives, and individual holdings.

The system may be schematically represented as follows :—

## STATE BANK OF THE U.S.S.R.

*Central Agricultural Bank.*

Agricultural Banks of  
the constituent Re-  
publics of the  
U.S.S.R.

Co-operative Unions  
and Agricultural  
Co-operatives.

Certain large scale  
enterprises.

District credit com-  
panies.

Local Co-operatives.

Village credit societies.

Village Co-operatives.

Individual holdings. Small enterprises.

Collective holdings.

*Credit Policy.*—The Central Agricultural Bank, besides its direct granting of loans, determines the whole credit policy of its subsidiaries.

*Financial Operations in year 1924-25.*—A total of 86,000,000 gold roubles was granted, one-fourth in long-term and three-fourths in short-term credits.

*Future Developments.*—Expansion of the agricultural credit system will in all probability be rapid and thoroughly sound. On the one hand, the State will undoubtedly increase its appropriations in and of agricultural developments as soon as it possibly can, and on the other, the peasants are coming to regard the local Credit Societies more and more favourably for the investment of their savings. Special facilities in the granting of credits, etc., are given to shareholders, and the success of the policy is evidenced by numerous applications from local societies for permission to increase their capital.

### The Future of Co-operation in the Soviet Union

In 1920 Co-operation as a voluntary movement was dead and functioned only as the distributive aspect of Soviet Government policy. In 1925, Co-operation is so much alive and so vigorously growing that it changes from month to month, almost from day to day.

Despite the great development of Co-operation since the inauguration of 1921, the movement is only now beginning to make its great influence felt as a factor in State development.

Co-operation is still partly subsidized by the Government and it is protected and encouraged in every way. Inside

the Soviet Union Co-operation already includes 10 per cent. of the peasantry. Outside the Soviet Union Co-operation is entering into international associations with Great Britain and all countries of the world. Inside Russia Co-operation seems destined to be the means of increasing the productivity of the production of the land; outside Russia Co-operation seems destined to play a large part in the commerce of the world markets. What part Russian Co-operation will finally play in the world market it is premature to attempt to estimate, but when it is realized that the Co-operative wholesale movement of Great Britain, based upon the limited area of our islands, but possessing lands overseas and a trading fleet of its own, is one of the world's great enterprises, it is clear at any rate that there is a great future before the Co-operative movement of Russia based on the Soviet Union covering one-sixth of the surface of the world.

## CHAPTER XIII

### Finance

THE money of Russia is now based on a stable foundation, the gold basis of the bank-notes issued by the State Bank and called separately Tchervonetz or in the plural Tchervontsi.

Very shortly after the declaration of the New Economic Policy it became clear, as is described in more detail later on in the chapter, that while a purely Communist scheme could, theoretically, neglect the money question altogether, a scheme of economic existence based partly on State ownership of industries and partly on privately owned industries, and individual agricultural production, must of necessity have a stable currency. Even before the declaration of the New Economic Policy in March, 1921, calculations were in fact often being made in terms of some stable foreign currency. Thus even in the spring of 1920 the Soviet Government was obliged to fix a rate of exchange for the use of its representatives abroad in making purchases and in selling Soviet money. And the assistant Commissar of Finance in the spring of 1920 quoted the writer what he called an official rate of exchange in Moscow, at which rate he changed a small amount of English money. Even at that time, therefore, financiers in Russia knew that the money dream of millions and milliards of paper could not endure. Privately they admitted it. And below the surface of Soviet life at that period there were active and secret money exchanges, who fixed prices in a quite regular and orderly way.

The gold background to money, the stable foundation, never entirely disappeared. But in 1921 the declaration of the New Economic Policy at once set active minds at work

along the new lines of commercial reconstruction and their active minds required something more tangible than a vanishing Soviet rouble as a basis for calculation. The history of this is given later, but the process of the New Economic Policy led inevitably to the change from the Soviet Rouble based on the Printing Press to the Tchervonetz based on a gold reserve in the bank and the Tchervontsi were issued in November, 1922. The law laid down that the Tchervonetz must be secured as to one-quarter by gold or other equivalent value in the State Bank and as to three-quarters by easily marketable goods or securities. But from the first the Bankers were more conservative than the law. On January 1, 1923, 62·7 per cent. of the security against the Tchervontsi issue was gold; on May 1, 1923, it was 50 per cent.; on September 1, 1923, 50·3 per cent.; on December 1, 1923, it was 50·2 per cent. The Gosplan publishes twice a month in its newspaper, *Economic Life*, a statement showing the number of bank-notes issued and the list of securities held by the bank. During 1924 representatives of Foreign Governments in Moscow were invited to inspect the gold reserve in the bank.

On February 16, 1924, the following values were held by the bank :—

Gold . . . . .	87,539,812	Tchervonetz roubles.
Silver . . . . .	1,105,886	„ „
Platinum . . . . .	5,148,163	„ „
Stable Foreign Currency.	65,287,773	„ „
Other Securities . . . .	159,300,893	„ „
 TOTAL . . . . .	 318,382,532	 „ „

The Tchervonetz notes are issued in denominations of 1 Tchervonetz equals 10 gold roubles, 3 Tchervontsi equals 30; 5 Tchervontsi equals 50, and 100 and 250 Tchervonetz notes.

But apart from Tchervontsi there are Treasury notes of 1, 3 and 5 roubles also secured on a gold basis, and there is silver and copper money.

The silver, a good deal of which was minted in England, is in one-rouble pieces, half-rouble pieces and pieces of 20, 15 and 10 kopeks. The copper money is in pieces of 5, 3, 2 and 1 kopeks.

Despite the issue of this money, there was a small-change crisis in some country districts and to meet this the Treasury authorized the issue of Temporary Exchange notes, going from one to fifty kopeks in value, all of which were legally exchangeable against coin and all of which had to be so exchanged by January 1, 1925. The amount of silver and copper coin in circulation up to January 1, 1925, amounted to a value of 100,000,000 gold roubles, roughly £10,000,000 sterling. The Soviet rouble notes were finally withdrawn from circulation during 1924, but they largely disappeared in 1923.

Thus on January 1, 1923, Soviet notes made up 97 per cent. of the money in circulation and bank-notes 3 per cent. On January 1, 1924, Soviet notes had shrunk to less than 20 per cent. and bank-notes increased to 80 per cent. of the money in circulation. The amounts of Tchervonetz notes were: January 1, 1923, 3,562,500 Tchervonetz, and January 1, 1924, 237,158,900 Tchervonetz roubles.

### Money Circulation

The total money in circulation before the war amounted to about 3 milliards of roubles, but now it has shrunk to only 300,000,000, or one-tenth of the pre-war amount. But it is calculated that by the end of 1924 the silver in circulation will be about the same amount as that pre-war. The silver was partly minted in London, partly in Leningrad and partly in various factories in Russia. At one period two and three shifts a day were being worked to produce the coins. Sufficient supplies of silver and copper exist to maintain the circulation at normal level.

The Tchervontsi are issued by the State Bank (Gosbank) and the Treasury notes by the Treasury. The issue of Treasury notes is, however, strictly limited. And it is laid down that the total amount of Treasury notes and coin in circulation must not exceed half of the bank-notes in circulation.

### History of Money during Revolution

Mr. G. Sokolnikov in *Economic Life* (Moscow) of November 7, 1924, gives an account of the changes in money in Russia.

between 1917 and 1924, from which the following particulars are largely taken.

The serious economic condition of Russia's affairs at the time of the first revolution of February, 1917, when the Tsar was deposed, made it inevitable that an issue of notes to supplement those already in circulation should be made. The "Kerensky" roubles were issued, that is, paper money backed up by the Provisional Government, and both Kerensky roubles and Tsarist or Nicoles roubles as they were called, continued to circulate for a long period. By November 1, 1917, at the time when the Bolsheviks were seizing power, the money in circulation exceeded 20 milliards, the foreign exchange rate was falling rapidly and the internal purchasing power of the rouble was diminishing also, if at a not so rapid rate. And at this time the paper rouble had lost nine-tenths of its pre-war value.

During the period of military Communism the financial method of the revolution was based not on money at all but on the distribution of goods. But the money of the Soviet Government, the Soviet rouble, continued to be printed, and the work of the printing press reached a production unknown in the world's history up to that time, but subsequently parallel in Austria and Hungary and reached if not exceeded in Germany in the summer of 1923.

From 1918 to 1922 money was printed in Russia at works in Leningrad, Moscow, Penza, Perm and Rostov. On October 1, 1921, about 17,000 persons were employed at the Government printing presses. The amount printed in 1918 averaged 3 milliards per month, but by 1921 the amount had risen to 1,582 milliards per month. It was thought at this time that all that was required was to add one or more cyphers to the figures in the notes each year and the Government took this course and also issued money of the different years. Thus in 1923 the rouble notes of 1922 were of very little value, the small change of 1922 of literally no value and a fortiori the money of 1921 of less value still.

Money at this period was thought to be playing a definitely secondary part and the hopeless state of the circulation was accepted with equanimity as the logical expression of the fact



(or rather of the theory) that the economic centre of gravity was being transferred to the use of natural resources and manufactures, and the exchange of these actual goods and away from money. The final disappearance of money was looked forward to as the normal result of the policy being pursued.

This conception was clearly expressed at a conference of the All-Russian Council of National Economy in the summer of 1918. "If before we were afraid of the fall of the rouble, at the present time we have nothing to fear in this respect. The former bourgeois structure endeavoured to raise the rate of the rouble as it feared a whole series of economic catastrophes. At the present time, when we are attempting to create a socialist organization, the fall must not alarm us, for when socialism is fully established the rouble will cost nothing and a circulation (of goods) will be effected without money."

Nevertheless, despite the emission of a great quantity of paper, the rouble obstinately refused to disappear and this gave rise to theories which looked on the activity of the printing press as normal and as giving a calculable depreciation out of which the Government could make a profit. It was stated that the emission of paper money followed a definite mathematical law which allowed values to be foretold and which had a stable economic foundation. The curve of emission of Soviet notes was studied and during a period of three and a half years it showed no tendency to depart from the curve of theory. This was held to show that the theory of catastrophe following such an emission system was groundless and that the possibility of the continuation of the system, with the occasional adding of a cypher to the figures in the notes, had no limits.

It is certainly remarkable that this money system continued for such a long time before the discovery was made that the theoretical law failed at a certain point when it became practically impossible to cope with the emission of the falling rouble.

During the first period, the period often called that of "Military Communism," the more the rouble fell in value

the less significant it became in economic relationship and the more relatively important became the wholesale State supply of commodities and the State organization of production and of distribution.

But it is significant that Mr. Sokolnikov thinks "in reality there cannot be any doubt that the disorder of the money circulation was one of the factors which made the New Economic Policy necessary."

The theory of the military Communist period was that a worker in the factory no more needed money to purchase food than a soldier in a front-line trench required money to purchase his rations—both were supplied by a Government organization. The theory was not found practicable because it was impossible to organize a nation on the lines of an army in the field. Russia, indeed, was not conspicuously successful at any period in history at organizing the supply services of her Army. But the theory broke down on a more essential question than that of a greater or less failure of organization. It broke down on a failure to produce the commodities required to circulate. The peasants partly could not or partly would not grow the necessary crops, the industries could not supply the needed manufactured goods. Russia, cut off from the circulation of the world's wealth, could not healthily circulate her own wealth within her own borders.

But even the increase of production warred against the financial theory of the first revolutionary period. Russia could not supply all her needs by communally organized effort. Agriculture in Russia is essentially individual in its economic character. And when it was necessary to combine the development of a socialized industry and an unsocialized agriculture, money, stable money, was essential. So, again, when the goods turnover began to become significant, money was again essential and again money of stable value. As soon as industry began to revive, and agriculture at the same time, the need for stable money compelled calculations being made in some stable currency—even if they were immediately afterwards translated into the terms of Soviet roubles. Calculations at this period were sometimes made in stable foreign currencies, such as the Swedish Kronor, the Dutch Gulden, the English

pound sterling or the American dollar. But as these currencies were not, in fact, available in Russia except in relatively small quantities, the difficulty led to the invention of arbitrary units or to the calculation of values in gold roubles at the pre-war standard of exchange. The hypothetical roubles were the goods rouble (Tovarny rouble) and the Budget rouble. The hypothetical roubles were calculated according to the index of prices of commodities as calculated by Gosplan in comparison with 1913 and were, in fact, only varieties of the gold rouble standard. At a very early stage a certain amount of gold coin was in circulation, a limited quantity, and could be purchased illegally on the "Black Bourse." No doubt gold always had a special value for peasant trading. One of the real heart to heart talks some peasants had (through an interpreter) with the members of the British Labour delegation in 1920, revolved round the conviction of a peasant that a certain member of the delegation who was obviously interested in the money question had some gold coins on his person. The delegate was inclined to waive the matter away at first, but the somewhat uncanny insight of the peasant was correct, and eventually the gold coin—the possession of which was unknown to the other members of the delegation—was shown to the peasant's triumphant eyes.

The ideal rouble of gold standard became finally a reality in the form of the Tchervonetz at the end of 1922 and during 1923 largely and during 1924 entirely displaced the Soviet notes. For as soon as a tangible gold standard note was available the demand for it became very great. The existence of the Tchervonetz is said for a short period to have helped to steady the headlong plunge of the Soviet rouble. But very soon after the Tchervonetz, to use Mr. Sokolnikov's phrase, became "the grave digger" of the baseless currency or even one might say the executioner. The effect of the Tchervonetz issue on the Soviet rouble increased the more rapidly the more widely the Tchervontsi were spread, for the demand for them became very much increased. In the middle of 1923 a species of daily account keeping in Tchervontsi was in vogue, that is to say, accounts were kept in the gold standard and the depreciation of the Soviet rouble calculated every

day. This practice began in the towns and spread gradually to the country. From the moment when this practice of calculation became widespread in the country, prices of goods increased at a greater rate than ever, and at a rate greater than that of the depreciation of the rouble; it was therefore practically impossible to preserve the Soviet rouble without precipitating a severe money catastrophe affecting the whole circulation.

At one time such a catastrophe might have been welcomed as opening the door to a complete communist system, but Russia in the era of the New Economic Policy was not subject to any such delusion. Such a catastrophe did actually happen in Germany in the summer and autumn of 1923 and was emerged from by means very similar to those used in Russia. The Soviet money reform undoubtedly prevented such a catastrophe, and by the month of February, 1924, the bulk of the money in circulation was in the form of bank-notes, Tchervontsi, and from this month the Soviet notes were gradually withdrawn. But the issue of Tchervontsi did not solve the whole money problem; the Treasury notes had also to be stabilized, and this was done by fixing a definite rate of exchange between Tchervontsi and Treasury notes, by issuing silver coins into circulation and by stopping the practice of making a profit out of the Treasury note issue. A very serious change was one affecting the Budget. The practice of meeting a budget deficit by issuing paper money is an attractively simple-looking plan, but it was realized that this practice would undermine any currency and the practice was stopped. It was realized that as the return to the issue of a valueless currency could not be contemplated, the cover of deficits by note emissions must cease. And cease it did. The spring of 1924 was chosen for carrying out the money reform in order to give six months of a sound circulation before the beginning of the new financial year and the payment of taxation.

That the Soviet Government policy has not finally solved the emission problem is fully realized. But it has solved certain problems, and it has produced a stable currency. The new problem which emerges is that of the issue of credit-

by the Government Bank. What should be the basis for judging of the stability or instability of notes issued by the Government Bank? What are the limits to the issue of credit for the needs of the Goods Turnover? Those are two of the questions needing discussion according to Mr. L. M. Sokolnikoff, and he partly answers them by saying that the issue of credit to private interests cannot be allowed beyond a definitely fixed point. Theoretically credit could be issued to a Government institution even if this was of a character to affect the stability of the currency, but practically and politically even this could not be done. The reasons M. Sokolnikov gives are that the "political return to inflation" could not be permitted, because irregular emission of money would affect not only the Government but also the peasant. The effects of this would be shown not only in an economic separation of State Industry in the towns and of the peasant on the land, but it would lead also to a political cleavage between the town workers and the peasantry.

For the time the money reform is regarded as complete. The Soviet rouble has disappeared, stable currency and stable credit remains. And this means, according to Mr. Sokolnikov, that the Government is now standing on a much more solid base than heretofore. The regular work of the Government is secured by real resources and "it does not go from day to day searching for fantastic milliards and quadrillions which are only paper riches. In the eighth year of revolution we enter the period of stable government."

### The Budget

During the period of military Communism there were no budgets and even in the first year of the New Economic Policy the budget was not an anticipation of income and expenses but a so-called orientation budget of little practical value. In 1922 an effort was made to get the budget out, but it appeared very late in the year, as also in 1923. It was only for the year 1924-25 that the budget appeared early and is in a real sense a budget such as Western Europe understood by the term before the war.

The absence of a budget or the presentation of a budget

with a big deficit is not by any means peculiar to Russia. Poland, Germany and Austria, not to mention other countries, have been in just the same difficulties. The progress Russia is making to stabilization of her political economic affairs is shown in a marked way in the Budget.

The 1922-23 Budget shows the unstable position of the finances of the country at that period very clearly and it should be noted that it does not include either the Far Eastern Republic or Transcaucasia. The amount of money issued and appearing in the budget is a big factor in making up the income and amounts to no less than 28.8 per cent of that income.

BUDGET OF SOVIET UNION IN 1922-23 (WITHOUT FAR EASTERN REPUBLIC AND TRANSCAUCASIA)

*Receipts in million Tchervonetz Roubles.*

			As percent. of total.
Taxes in money and kind.	378		27.9
Transport.	376		27.8
Posts and telegraphs	25		1.8
Other income	48		3.5
Total of ordinary income	827		61.0
Credit operations	138		10.2
Emission of money	390		28.8
Total of extraordinary income	528		39.0
Total receipts	1,355		100

*Expenditure in millions of Tchervonetz Roubles.*

			As percent. of total.
Transport.	542		38.5
Army	226		16.0
People's Commissariats	371		26.4
Industry	116		8.2
Agriculture	66		4.7
Electrification	24		1.7
Co-operation	9		0.7
Treasury operations	54		3.8
Total.	1,408		100

The Budget of 1923-24 shows a rapid approach to more normal conditions:—

## BUDGET OF SOVIET UNION IN 1923-24 (WITHOUT FAR EASTERN REPUBLIC OR TRANSCAUCASIA)

*Receipts in million Tchervonetz Roubles.*

		As percent. of total.
Taxes in money and kind.	498	29.2
Transport.	598	34.9
Posts and telegraphs	39	2.3
Other income	141	8.3
Total of ordinary income	1,276	74.7
Credit operations	253	14.8
Emission of money	180	10.5
Total of extraordinary income	433	25.3
Total receipts	1,709	100

*Expenditure in million Tchervonetz Roubles.*

		As percent. of total
Transport.	670	39.2
Army	313	18.3
People's Commisariats	420	24.5
Industry	69	4.0
Agriculture	47	2.7
Electrification	39	2.3
Co-operation	20	1.1
Treasury operations	130	7.9
Total.	1,708	100

Thus from 1922-23 to 1923-24 the receipts increased by 354,000,000 Tchervonetz roubles, roughly 35.4 million pounds sterling. But the significant feature is not only that the receipts increased but that it was due to an increase of 54 per cent. of ordinary income and a decrease of 18 per cent. of extraordinary income to the amount of nearly £2,000,000 sterling. The increase is divided between various factors. Thus taxation increased by 120,000,000 roubles, 30,000,000 being increased agricultural tax, 20,000,000 increase from taxes on industry and income, 20,000,000 from Custom House, 40,000,000 from Excise and 10,000,000 from other receipts. And the increase occurred despite the fact that the excise on sugar, salt and paraffin oil was lowered. The receipts from transport, that is to say practically from railway trans-

port of goods and passengers and river transport of goods and passengers, by about £22,000,000 sterling, or by nearly 60 per cent. This figure is undoubtedly very significant as giving an index of the increase of internal activity and actual circulation of goods and people during the year. During the year non-tax income increased by 92,000,000 roubles, Government Industry contributed about £3,000,000 sterling and the Government Bank made a profit of £1,000,000 sterling. Turning to the expenses side of the comparative figures, while the receipts from transport have gone up by 220,000,000 roubles, or by nearly 60 per cent., the expenses have only increased by 128,000,000 roubles, chiefly on increase of wages and on capital expenditure for new works. The rate of wages has fallen low in Russia and substantial increases are good economy from any point of view.

The increase in Army expenditure amounting to 87,000,000 roubles, or nearly 48 per cent., is nearly all accounted for by an increase in the pay of officers, but even with this increase the percentage of Army expenditure to the rest of the Budget is less than that before the war. In the Tsarist era the Army used to absorb 30 per cent. of the expenditure of the Budget; the present expenditure is only 18 per cent.

Another indication of the new tendency in the Soviet Union is that the grants to industry, that is to say subsidies, decreased by 47,000,000 roubles as between 1922-23 and 1923-24, a decrease amounting to 41 per cent. On the other hand, 35,000,000 roubles go to improve agriculture and the expenses of electrification increased as between 1922-23 and 1923-24 by 15,000,000 of roubles, or about 16 per cent. The electrification both of industry and agriculture is being pursued with energy. Credit Co-operation as between 1922-23 and 1923-24 more than doubled—a tendency which is increased in 1924-25.

The increase of operations of the Government Treasury consisted in the extinguishing of certain loans, including loans on corn and sugar.

The income of the whole Union and its expenses are distributed as shown in the table below :—



DISTRIBUTION OF INCOME OF CONSTITUENT BODIES COMPOSING THE  
UNION OF SOVIET SOCIALIST REPUBLICS

	Income. Per cent.	Expenses. Per cent.
Whole Union . . . . .	95·4 . . . . .	87·0 . . . . .
R.S.F.S.R. . . . .	3 2 . . . . .	10·2 . . . . .
Ukraine . . . . .	1·2 . . . . .	2·5 . . . . .
White Russia . . . . .	0 2 . . . . .	0·3 . . . . .

The separate Republics also have their own Budgets which reveal the same general line of development.

## CHAPTER XIV

### Education and Culture

THE basic principle underlying the educational policy of the Soviet Union is the acknowledgment of the desirability of universal education and of the duty of the State to provide it.

Before the revolution education was very little developed in Russia. Not only were facilities for elementary schooling not usually provided for the peasants and workers, but the education of such workers was in general actively or passively discouraged.

Even for the nobility and the middle classes educational opportunities were not on a level with those of such countries as England and Germany.

The number of schools giving elementary education up to 12 years of age was 60,000 on the 1st of January, 1914, but the schools were small, were very unequally distributed and attendance was purely voluntary. The schools were closed from May to August, the times varying in different localities, but the period being about 3 months.

Taking elementary and secondary schools together, the following table shows the numbers in four years :—

	Schools. шкoл	Pupils.
1911 . . . . .	47,855	3,060,400
1919 . . . . .	63,317	4,796,284
1921 . . . . .	91,500	7,200,000
1923 . . . . .	59,000	4,422,500

The fall in 1923 is more apparent than real, as the 1921

figures probably represent children enrolled for educational purposes and the figure in 1923 children effectively in attendance.

The difficulties in the way of the carrying out of the educational policy of the Soviet Government were enormous. In pre-revolutionary Russia the work of education was carried out by (1) the Government, (2) the Church, (3) the *Zenistvos* (roughly corresponding with the Council of a Province or *Gubernia*), and (4) the Municipalities. The Government schools were further divided between the Ministry of Education and other Ministries who carried on technical and military schools. The Soviet Union Government has substituted for the various authorities the one central authority of the Commissariat of Education, but it has had to go further and change the whole underlying conception of education. The system in pre-revolutionary Russia provided many different kinds of education according to the social position of the parents of the children concerned. The Soviet system aims at the creation of a unified type of education for all children, subdivided according to age and in order to provide for the various necessary lines of specialization in later years, such as teaching, agriculture, engineering and medicine.

It is further desired to bring the system of education into the closest association with prevailing methods of production. The system of elementary and secondary schools are referred to as the "unified Labour School," the object of the system is to educate all to take an active part in the productive life of the country. Thus the younger section of the elementary school children are taught to produce all they can so as to make the school to some extent self-supporting, and in the schools of higher grade the school is attached to some industrial enterprise and the children are given such work to do as is compatible with their theoretical work in school.

The object aimed at is to create citizens who will be actively co-operating members of the Communist State.

The system may be summarized by saying that its object is to universalize education among the population and to provide a unified system of schools and other educational establishments in the closest touch with actual existing methods of production, including, of course, agriculture. The ideal

inspiring the system is to produce citizens fully instructed as to the world about them, and capable not only of understanding the world and the life of society, but of taking an effective share of the responsibilities and active productive work of the society in which they live as members of a Co-operating Communist State.

It is estimated that the number of children of school age requiring education is between 14,000,000 and 15,000,000. Soviet educational institutions provide, therefore, for something like one-third of the children requiring education. Under the circumstances attention is devoted to spreading education as widely as possible, and in particular to securing the education of the children of active workers and peasants and of those working-class leaders who are active members of Trade Unions, Co-operative Societies and of the Communist Party in order to secure an active reinforcement of those who will secure further spread of Communist conceptions at as early a date as possible.

### Organization

The People's Commissariat of National Education is responsible for the organization and regulation of the educational and scientific work of the Republic.

The conception of the scope of educational work is one which includes not only elementary and secondary technical and University education, but also scientific research, and in some respects music, the cinema and the theatre and ordinary educational work is closely associated with the work of politics through the department which controls Political Education, which is a separate body called the Chief Political Education Board.

At the head of the Commissariat is the Chief Commissar Lunacharsky and the department under him is divided into—

- (1) Section of general administration.
- (2) Section for elementary, secondary and preliminary technical education.
- (3) Section for Universities, technical education and special education for adult workers, and for young people employed in factories.

- (4) Section for political education which is chiefly concerned with a special campaign against illiteracy.
- (5) Section for control of publication of books.
- (6) Section for management of museums and scientific schools, research establishments, protection of ancient monuments, natural beauties, buildings and institutes of artistic or historical importance such as Government theatres, concert halls, picture galleries and typical homes and palaces of the old regime.
- (7) Section for study of general educational policy and of particular applications of policy to local and special conditions, for regulating the curriculum, for supplying teachers and for supplying textbooks. This section decides on the opening of new establishments or on the closing of existing establishments.
- (8) Section for dealing with non-Russian speaking nationalities.

### Educational Establishments

All schools and all educational establishments are Government schools ; no private schools are permitted. The elementary institutions are divided into—

- (1) Pre-school education up to 8 years.
- (2) Lower elementary schools for children from 8 to 12 years.
- (3) Higher elementary and secondary ; first section from 12 to 15 years, and second section from 15 to 17 years.

Pre-school education at present is only available for about 2 per cent. of the child population under 8 years. It includes the work of kindergartens and crèches and its object is to encourage creative activity, social habits and a realistic outlook on life. Children are admitted between the age of 5 and 8 years, and owing to the limitation of accommodation at present, preference is given to the children of industrial workers, the poorest peasants and of soldiers of the Army. The crèches are open for 8 or 10 hours a day and children take all their meals there. Kindergartens are open for 6 hours a day and children get breakfast and dinner. The work of the institutions follows the line of work of the infants' departments of elementary schools and kindergartens in this country.

The lower elementary schools taking children of 8 to 12, teach the children reading, writing and arithmetic and an elementary knowledge of history and geography, but it also includes an elementary stage of social and political education. The first section of the higher elementary and secondary schools (children 12 to 15) continue the main lines of a general education, but add instruction as to the nature of the work of production of the adult citizen and on the organization of social life, with the aim of making the pupil a conscious citizen of the Soviet Republic. In the second section of the higher elementary and secondary schools (children from 15 to 17) specialization and technical training is beginning, and the object of making the pupil a conscious builder of the new conception of life according to Soviet principles is further developed. During this period of training the pupil has to obtain a clear idea of the constructive problems which the Soviet Government has set itself to solve and of the methods of their solutions. Particular attention is paid to economic geography. These schools are required to maintain a close connection with some definite branch of production, which is studied theoretically and practically, and this production gives a bias to the general curriculum at the school concerned.

It is after having passed through these schools that the pupils enter at the Universities or Technical Schools for special study.

The apparent fall in the number of children attending school between 1919 and 1923 is explained by the development of policy of the Government since the revolution.

In the pre-revolutionary era schools of secondary type were almost exclusively devoted to the richer classes of the population and were as a rule connected with the towns. These schools were divided into "Gymnasiums," giving a predominantly classical education, and "Real-schools," giving a more scientific education. Schools of either type were very rare outside the towns. Pre-school education was only embryonic.

On January 1, 1914, there were only about 800 secondary schools of all types, including gymnasiums, real schools and such institutions as those for the education of the girls of noble

families. There were about 600 establishments of a charitable nature for foundlings and others, including training schools which were stated to exist to encourage "love of work"; there were also, in 1917, 387 kindergartens, crèches and children's playing-fields. It is notable that the playing-fields were so rare in Russia as to merit special mention. The result of the revolution was to stimulate a great spontaneous and unorganized activity of educational organization which led to a large increase in the number of schools. But when the Government began to effectively organize its own system in 1922, many of these establishments were closed, as they did not reach the required standards and did not conform to the plan of education as laid down by the Commissariat.

In 1922-23 the spontaneous and unorganized activity gave place to a thought-out, planned and "materially-biased" activity in conformity with Communist principles.

The total number of educational establishments in the R.S.F.S.R., and in the autonomous provinces of European Russia was 59,000, of which pre-school education took 3.1 per cent., ordinary education 95.3 per cent., and education of defective, abandoned, criminal and neglected children, 1.6 per cent.

The detailed figures are set out in the table below :—

SCHOOLS OF EUROPEAN RUSSIA (R.S.F.S.R.) WITH AUTONOMOUS PROVINCES, 1922-23 (SECOND HALF OF YEAR).

Schools.	Estab- lishments.	Teachers and Admin- istrative Staff.	Children.
1. Pre-school education . . .	1,796	6,784	88,404
2. Elementary and secondary schools . . . . .	55,861	139,130	4,314,643
3. Schools for defective and neglected children . . . .	979	5,239	18,822
TOTALS . . . . .	58,636	151,153	4,421,879

### Pre-School Education

The pre-school education is free, and the crèches and kindergartens are open the whole year round, except on certain days fixed for holidays. Each institution is in charge of an official, who is responsible for the teaching and the general and financial administration. This official is appointed (and if necessary dismissed) by the Commissariat of Education, but he may be nominated for appointment either by a department of the Commissariat, by the Communist Party, or by a Trade Union.

### Elementary and Secondary Education

The larger number of all schools are day schools. Attendance at school is compulsory between 8 and 15 years. All education for children between 8 and 17 years of age is co-educational, no differences being made between the sexes. The education is entirely secular, the teaching of any religion or the performance of any religious ceremonials being forbidden. The children have self-government as regards school affairs and no punishments are allowed. The school official responsible for the teaching and administration is appointed by the Commissariat of Education and nominated in the same way as in the case of the pre-school institutions, but he, or she, is assisted by a School Council (School Soviet) which includes all the teachers and the school doctor. It also includes one representative from the staff of the servants of all grades and may have one representative each from the following bodies :—

Workers' Communist Party.

Women's Organizations.

Trade Unions.

Soviet of Workers, Soldiers and Peasants.

Organization of Communist Youth.

In schools which have children of 4 years' standing and over on the attendance register, there is, in addition, one representative of the pupils from each year beginning with the fourth and going upwards.



The School Soviet meets once a month and (1) discusses and approves the curriculum and the arrangement of the timetable; (2) methods of instruction; (3) division and assignment of the work of the school. Periodically it hears reports from the teachers, from the doctors and from the representatives of the pupils.

The School Soviet also deals with the admission or exclusion of children and matters of general discipline. The manager has power to act on his own authority in exceptional cases, reporting the action taken to the next meeting of the School Soviet.

The curriculum in general is laid down by the Commissariat of Education. The basic work of the school is stated to be the study of the productive activities of the workers and their organization. All school work is related to this basic study, including the study of the powers and phenomena of nature and the study of social organization in the present and in the history of the past.

The work of any particular school must be related closely to the form of productive activity prevalent in the place where it is situated and the plan of the school work is drawn up in relation to that form of productivity. In a town this will be some form of manufacturing industry; in the country this will be the industry of agriculture. The whole work of the school must be directed to build up proletarian class consciousness and proletarian instincts and to strengthen the feeling of the solidarity of the workers in their struggle with capital, as well as to prepare the pupils for useful productive work themselves and for useful social and political activity. For these purposes the pupils are employed in various forms of collective labour and are brought into personal relations with adult workers and with organizations of young people and they are encouraged to take part in collective readings and discussions. The school sessions last for ten months of the year, and there are holidays in the winter and summer. The exact dates vary in the different provinces, being fixed according to the necessities of local conditions.

### **Residential Schools**

There are a number of institutions which may be grouped under this heading. There are Children's Homes which are Boarding Schools, and Children's Colonies and other institutions in which the children are completely provided for. The number of these institutions is over 3,000, providing for 180,208 children. These institutions especially serve neglected and orphan children. The normal size of a Children's Home is fixed at sixty children.

### **Defective, Neglected and Criminal Children**

Owing to the events of the last ten years there exists a large class of children who are without proper protection, proper homes or proper direction of their lives. The World War, followed by the revolution, civil war and famine, has inevitably created a child problem of terrible magnitude. The parents of many children have died; from others the children have been separated owing to the break-up of homes and of all ordinary forms of social life, and many of these children have wandered in the countryside or in the towns, half-wild and untamed and undisciplined. Such children naturally tend to congregate around cities, where by begging, pilfering or casual employment, they may pick up a precarious existence. The problem exists in other countries, as, for instance, Armenia, Greece and the Balkans, and the Russian problem may be called a chronic refugee problem. The Government of the Soviet Union has endeavoured to deal with this problem by the setting up of agencies for the finding and assisting of these children back to normal life.

### **Children's Social Inspection**

Described as Children's Social Inspection there has been formed an association of men and women to give social help to children. It is the duty of these persons to frequent public places, such as markets, railway stations and cinematographs, and to collect children who are lost or who are getting money by begging, trading or prostitution. Cases of crime by non-adults are also investigated by these workers, as are also cases of child exploitation in factories, workshops or other employments.

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### Reception Stations

Children so collected are brought by the inspectors, or by any other citizen who finds such a child, to certain reception stations established at convenient points. There are 179 of such stations in Russia with a staff of 1,298, and the number of children dealt with in the second half of 1922-23 was 16,739.

There are also a number of committees of doctors, teachers (250 in all R.S.F.S.R.), who decide on the disposal of such children, and there are Children's Courts where questions of the rights of children are specially considered. Soviet Law does not recognize that the parent has any right over the child, only that he has duties towards it. The State is the supreme guardian of all children, and only delegates its authority to the parents who are regarded as the most suitable guardians after the State. The obligation is laid upon parents (both together) to support, protect and guard the personnel and property rights of their children up to 18 years and to prepare them for a useful productive life. But if the parent does not fulfil these functions, then the Government takes them over. It is intended to place all such children either in a Children's Home or in a Children's Colony in the country, and a special individual is appointed as his guardian. Soviet Law regards the guardianship of the Government as the best form of guardianship, but realizes that creation of Children's Homes and allied institutions in sufficient numbers to deal with all the children is impossible at the present time. The State may therefore appoint others than parents as guardians; the child itself is allowed to indicate its preference, and relationship is regarded as a reason for choice for guardianship. Any person appointed by the State must accept and discharge the duties of guardian, except in cases of old age, illness or other hindering factor as laid down in the code.

### Education of Defectives

There are special schools for the deaf and dumb, the blind, the backward or mentally deficient and for physically defective children. The schools for mentally defective children

are 58 in number ; blind schools, 14 ; deaf and dumb, 30 ; morally defective, 105 ; physically defective children (colonies), 6 ; education under compulsion, 33 ; isolation schools, 31. The total number of children attending such special schools is about 13,000 in all.

### Experimental Schools

The organization of experimental schools by the Commissariat of Education began in 1919, and there are four types of such institutions : (1) Those concerned with pre-school education , (2) elementary and secondary education ; (3) children's clubs and societies ; and (4) observation stations, where the whole of the educational work is considered, inside and outside of school, and has to do with children of all ages and which considers not only teaching but also relevant socio-political questions.

### Training of Teachers

The importance of the training of teachers has been forced on the attention of the Soviet Government as a matter of urgent importance, as owing to the low general educational level and the political and educational backwardness of the country the supply of teachers is insufficient to meet the demand.

In 1922 an earnest effort at raising the standard of qualifications of the teachers began, and the existing staff are being trained while still carrying on their work by the arrangement of (1) periods of training in special schools, (2) conferences on educational matters, (3) practice in school work under supervision, and (4) provision of short courses of training and the discussion of educational questions in specially organized study circles.

### University and Technical Education

The number of University institutions, higher technical schools and workshops decreased in 1922-23, while the number of institutions for the general education of young persons employed in industry, the number of institutions for practical training, the number of special courses of instruction, the

number of lower technical schools and the number of Workmen's Faculties increased. Workmen's Faculties gives special instruction to those workers who have not passed through the ordinary school education, in order to fit them for the higher technical and University instruction. Universities decreased 35.6 per cent.; higher technical schools, 58.8 per cent.; workshops, 6.0 per cent.; while institutions for the general education of young persons employed in industry increased 89.3 per cent.; institutes for practical training, 66.7 per cent.; special courses of instruction, 31 per cent.; lower technical schools, 26.8 per cent.; and Workmen's Faculties, 11.9 per cent.

There was also a financial as well as a practical reason for the changes made, as owing to the decrease of the Budget the estimate for higher education had to be greatly decreased. The decrease in higher technical schools and in workshops was caused by a shortage of material at the places where these institutions had been set up, while the revival in the powers of national production which is in process of development has created a demand for the more efficient training of adult and junior workmen, with the result of an increase in the establishments providing this training.

### Universities

On April 1, 1923, there were in the territory of the R.S.F.S.R. 95 institutions of University rank <sup>1</sup> with 133,872 students and 12,155 professors and lecturers. This gives an average of one teacher to every 11.3 students in the ordinary Universities, but the reduction in the number of Universities has led to an increase in this figure by the overcrowding of the Universities. The University Faculties are divided as follows: 17 give a general education, 27 specialize on agriculture, 24 on industrial and technical problems, 8 on physico-mathematical questions, 13 on teaching and educational problems, 6 on medicine, 10 on art, and 2 on economics and sociology.

### Selection of Students

In the selection of students for institutions of University rank the tendency is to give preference to those who are

<sup>1</sup> To these must be added seven Communist Universities.

of worker or peasant origin, and in particular to those politically active in the Communist Party. The following table compares certain figures between 1922 and 1923 :—

Students entered at Universities.	1922.	1923.
	Per cent.	Per cent.
Communists . . . . .	15.2	26.9
Workers in industry . . . . .	16.1	24.2
Peasants . . . . .	20.8	25.4

The above figures do not contain Workmen's Faculties, the total number of which during a year was 86 with 35,750 students.

The direction of development of the educational machinery of the Soviet Government is seen by a glance at the list of technical institutions, of which there were 626 in 1923, with 10,526 tutors and 80,574 students. These were divided as follows :—

Agricultural economy . . . . .	123
Industrial . . . . .	68
Teaching . . . . .	190
Medical and allied services . . . . .	49
Art . . . . .	65
Social economy . . . . .	42
Transport . . . . .	68
Culture building . . . . .	11
Others . . . . .	10

In addition to the figures given above there were 481 Trade Union Schools, 593 classes for young persons employed in industry, 493 special courses of study and 140 workshops. There were also 81 studios with 2,086 students registered.

All the above figures relate to April, 1923.

### The Work of the Universities

The work of the Universities is defined as being (a) the creation of specialists in the different branches of practical activity; (b) the preparation of workers in the sciences; (c) the popularization of scientific knowledge among the workers and peasants.

Any person of 16 years of age who is able to satisfy the authorities as to their fitness may be admitted to a University, except in the case of medicine, where the lower limit of age is 18. The Universities are administered by Councils on which the professors, tutors, students and Trade Unions have effective representation, but work in close association with the Commissariat of Education. The chief representative Council for all institutions of University rank meets not less than once in each term and the actual administration is carried out by three persons appointed by the Commissar of Education, who, among other duties, appoint the chairman of each University Administration, the Rector, on the nomination of the chief Council.

Universities are distributed all over Russia and Siberia, but the greater number of these institutions are in Moscow (27) and Leningrad (24). In the Autonomous Republics there are 8 Universities, 2 being in the Crimea, 5 in the Tatar Republic and 1 in Turkestan in the town of Tashkent.

### Workmen's Faculties

Workmen's Faculties are an important part of the organization of higher education, as they endeavour to bridge the gap between the worker in the factory or the peasant at the plough and the institutions of University type. These Faculties are of two types, day and evening classes, and have the right to use all necessary educational buildings and apparatus. The course of study in the day institution extends over 3 years, and that in the evening institution over 4 years. The institutes are of two main types: (1) Technical and (2) Natural Science. Candidates for admission must be at least 18 years of age, and are required to show a record of work in some productive enterprise for a period of three years. And students who finish their course have the right of entry to Universities without further examination.

### Junior Technical Institutes

The object of these institutes is (1) to educate managers and executive staff for industry and (2) to popularize practical applications of knowledge and special knowledge in their own

districts. The course of study extends over 3 to 4 years, and the standard of general knowledge on leaving must be not lower than that of students leaving the ordinary schools at 18 years.

Evening technical schools are attached to some of the large factories in the big industrial centres. Other courses of instruction and lectures are organized in various centres with the same general object of improving the workers' efficiency.

### Political Education

Under the heading of Political Education the Soviet Government groups (1) schools for instruction of adult illiterates in reading and writing ; (2) schools of a similar kind for the partially illiterate ; (3) other adult schools ; (4) Communist Party schools , (5) political schools ; (6) Communist Universities ; (7) reading rooms in villages ; (8) clubs ; (9) the small People's theatres and other Government theatres ; (10) propaganda centres ; (11) libraries, permanent and travelling ; (12) museums and art galleries ; (13) cinemas ; (14) orchestras ; (15) choirs ; (16) dramatic circles ; (17) circles for general culture.

### Illiteracy

Special attention is given to the village where the problem of illiteracy is most acute. According to the program laid down by the All-Russian Central Executive Committee and the Soviet of People's Commissars (this corresponds with the British Cabinet) all the illiterates in European Russia, 17,000,000 in number, will have received instruction in reading and writing by November, 1927. Illiteracy has already been practically abolished in the Red Army and in the Police. During 1920 and the first half of 1921 6,000,000 people, of whom the larger number belonged to the Red Army, were taught to read.

### Definite Political Education

The schools of the Communist Party, of which there are 205 in European Russia and Siberia, teach general theoretical



Marxist ideas with the object of training practical revolutionary Marxists.

The Communist Universities teach (1) economics ; (2) history ; (3) the philosophy of Marxism ; (4) work of the Communist Party ; (5) the Soviet Code ; (6) natural science and mathematics ; (7) philology. The University is controlled by a Rector appointed by the Central Committee of the Communist Party. These Universities are called after well-known Communists ; the Sverdlov University is in Moscow, the Zinoviev University in Leningrad and the Artemiev University is at Kharkov, the capital of the Ukraine.

### Press Publication and the Censorship

All publications are directly or indirectly controlled by the Soviet Government through the Commissariat of Education.

All books, magazines, newspapers, pamphlets, music and news placards or notices are registered at a Central Book Registry. Most publications are issued either by the direct authority of the Government, or through the Departments or by the Communist Party, but Co-operative organizations are allowed to publish and private publication is also permitted.

All dramatic, musical or cinema performances require to pass the censor before performance, and a periodical list is published of plays, music or cinema films which have passed the censor and which may be performed. The censorship functions are exercised through a committee known as the Chief Department of Literature, which, like other central organizations in the Soviet Union, has its local replicas which discharge its functions and see that its decrees are obeyed as far as their own locality is concerned.

The rules of the censorship with regard to literary works is as follows : No publication is permitted which (1) contains propaganda against the authority of the Soviet Union ; (2) publishes military secrets ; (3) spreads false information ; (4) provokes nationalist or religious fanaticism ; (5) which is indecent.

No censorship is applied to publications of the Central or Provincial Committees of the Communist Party or to Govern-

ment publications. Scientific publications of the Academy of Science are also exempt from censorship. Every other publication must have the *visa* of the Chief Department of Literature and printers and publishers are held responsible for seeing that no works appear without the *Visa*. Five copies of all publications must be sent to the Chief Department of Literature immediately after publication.

Publications issued during 1923 were:—

Books, pamphlets and music . . . . .	20,141
Magazines . . . . .	13,326
New-papers. . . . .	80,553
Public notices and placarded newsheets . . . . .	56,569

Most books are published in Moscow (61.09 per cent.) or in Leningrad (26.85 per cent.), only 9.06 per cent. being published outside.

Publications from 1918–23 were published—by Government, 30.29 per cent.; Communist Party and Government Departments and Trade Unions, 47.78 per cent.; Private and Co-operative, 21.07 per cent; not stated, .86 per cent.

The Government is itself always the greatest publisher when account is taken of size and importance and number of copies published. In 1923 the average number of copies of publications issued by the Government was 14,848; by the Departments, the Trade Unions and the Communist Party, 5,446; and by private persons and Co-operative Societies, 4,071.

An interesting figure is that of newspapers published for the peasants, which was 51 in 1923 and 117 in 1924. In 1923 149,000 copies of each paper were issued, and in 1924 376,000 copies.

In 1923 there were 560 newspapers published, but in 1924 only 498, but the total copies issued rose from 1,950,000 to 2,520,000. This is an increase of 29 per cent., but the greatest increase is in newspapers for the villages, which has risen by 277 per cent.

From 1922 to 1923 the turnover of all book publications increased from 6,000,000 roubles to 18,000,000 roubles.

### Finance of Education

The original intention of the Government of the Soviet Union was that all education should be free as well as compulsory. It has been found necessary, however, under present circumstances to make certain charges.

Schools for adolescent workers, junior technical schools, training workshops, pre-school education and Communist Party schools and some others are, however, free.

Payments are fixed as a percentage of wages, and workers pay an amount not exceeding 5 per cent. of their wages, irrespective of the number of their children. But no payment is taken from (1) officers or men of the Army or Navy; (2) persons incapacitated by military service or in industry; (3) peasants who are exempted from paying the tax in kind; (4) parents of children who win scholarships or bursaries; (5) Government pensioners; (6) certain officials of the Commissariat of Education; (7) registered unemployed entitled to social insurance; (8) workers whose wages are less than four times the rate of minimum wages paid by Government; and there are some other similar exceptions. Payments are made quarterly in advance, but every school must have 25 per cent. of free places. Payments are also graduated on the class principle of taking more from merchants, owners of property, contractors and clergy, and less from workers, peasants and those engaged in peasant industry (koustar).

In case of non-payment proceedings are taken against the parents, who appear before a department of the Commissariat of Education, but the children are in no case excluded from school.

Another financial provision for education is the allotment of land for cultivation to day schools and residential schools. This land provides for the teachers and administrators and staff of the schools as well as providing food for the children in case of residential establishments.

A day school has 10 or 12 acres of land allotted to it, a residential institution about one-quarter of an acre for every child or more if local conditions allow. Other types of schools have from 270 to 670 acres allotted to them, and Universities and higher educational establishments, 1,350 acres. The land

allotted must be as near the institute as possible and not more than 1 verst (.66 miles) away. Hired labour may be used for cultivation if the labour available in the educational establishment is not sufficient.

### **Fees at Universities and Higher Educational Establishments**

In Moscow and Leningrad the fees are 150 Tchervonetz roubles a year (roughly £15), and in the provinces 100 Tchervonetz (£10). All students pay, except those (1) coming from Workmen's Faculties; (2) scholarship holders, (3) war invalids; (4) factory workers and their children; (5) employees of Government Co-operative Societies or other establishments who earn less than the £15 a month, and (6) various other categories of public servants and peasants who do not use hired labour.

### **Scholarships**

Scholarships to cover total cost or 50 per cent of cost are given by local bursary committees to children of those who rendered special services to the revolution or in the civil war, and children of peasant koustar workers and small handicraftsmen.

Scholarship holders are required to repay the Government for their scholarships by their own labour in Government establishments, one year's work being accepted for each year's scholarships.

### **Admission to Universities and Higher Educational Establishments**

The number of admissions for the year 1924-25 has been considerably reduced so as not to exceed 13,600, and is largely confined to those who finished their course of instruction in Workers' Faculties in 1924. The free places left after all students of Workmen's Faculties have been accepted are allotted as follows: Communist Party, 25 per cent.; Trade Unions, 30 per cent.; Communist youth, 15 per cent.; peasants and demobilized soldiers and Army invalids, 15 per cent.; and pupils who have finished other courses of education with

distinction, 10 per cent ; to nominees of the Government of the Soviet Union, 5 per cent.

### **Workers' Faculties in 1924**

Applicants must be not less than 18 years of age and not more than 30, and be possessed of the knowledge of elementary arithmetic, the power of clear expression of their thoughts verbally and in writing, have undergone a general political preparation and must have worked at manual labour for two to four years according to age. Peasant applicants from districts where organizations of the Communist Party or the Communist youth exist, must bring a recommendation from these organizations. Membership of the Communist Party is in some cases accepted as the equivalent of so many years' manual labour.

### **Special Communist Education**

A number of schools and seven University institutions exists for the preparation of men and women for Communist Party work. The schools are divided into a lower section which admits pupils at 17 and an upper section the admission age for which is 19. Pupils are also admitted to four of the Universities at 19 years of age, and to the Sverdlov, Zinoviev or Artemiev Universities the lower age limit is 20. To the lower school 25 per cent. of pupils not belonging to any political party are admitted, and to the upper schools only 10 per cent. All persons seeking admission to Communist Universities must be of standing in the Communist Party and those seeking admission to the Sverdlov, Zinoviev or Artemiev Universities must be of at least 3 years' standing in the Communist Party.

The object of these schools and Universities is carried out by a study of (1) economics ; (2) history ; (3) the philosophy of Marxism ; (4) the work of the Communist Party ; (5) the Soviet Code ; (6) natural science and mathematics ; (7) philology.

The families of students at Communist institutions are exempted from agricultural taxation, the children are admitted free to ordinary schools or residential schools and the

aged and invalids to special homes, and the duty is placed on the Provincial (Gubernia) Councils of aiding the families of Communist students in other ways, such assistance being chargeable to the Gubernia budget.

### Education in the Ukraine

The general system of education in the Ukraine is on the same lines as that in the R.S.F.S.R., but it is less completely developed owing to the fact that a beginning could not be made until 1920, owing to civil war and frequent changes of government. And the beginning was handicapped severely by the great famine of 1921.

In 1923 there were 17,000 elementary schools with 1,300,000 pupils and 46,000 teachers ; that is to say, only 46.4 per cent. of the children between 8 and 12 years of age attending school.

In the same year there were 1,782 children's residential homes, caring for 102,000 children. Only 60 per cent. of the instruction was given in the Ukrainian language in 1923, but it is anticipated that in 1924 all instruction will be so given. The types of junior and higher technical schools which exists in the R.S.F.S.R. are also found, less developed, in the Ukraine. With the object of further increasing the proletarian influence in the schools a purge of non-proletarian elements was carried out in 1922, which reduced the number of students in institutions of University rank from 56,000 to 41,000, Workmen's Faculties on the other hand increased from 28 in 1922 to a larger number in 1923. There is a considerable development of University institutes at Kharkov and at Kiev and a great central library at Kiev containing 700,000 volumes.

### Education in White Russia

Education policy follows the same general lines in White Russia as elsewhere in the Soviet dominion. In 1923 there were 94 children's homes or kindergartens and about 1,270 elementary schools, the pupils being estimated at 500,000. The peasants are now co-operating more willingly in the maintenance of the Government schools and in some districts schools are being maintained entirely out of local funds.

## Education of Non-Russian Speaking Nationalities

The difficulties in the way of the education of non-Russian speaking nationalities may be gauged by the fact that in some cases it is necessary to begin by an adaptation of the written alphabet and the practical re-creation of an alphabet. The total number of educational institutions in 1923 was 4,187, which are administered by the Council of National Minorities with the object of raising the general educational level as rapidly as possible.

## Scientific Study and Research in the R.S.F.S.R. and in the Ukraine

*R.S.F.S.R.*—On January 1, 1924, there were 75 Scientific institutions divided into various types:—

1. Four central establishments for general scientific work with branches all over the U.S.S.R.
2. Twenty-five special research institutions.
3. Twenty-six research institutes attached to Universities.
4. Eleven scientific laboratories and observation stations.
5. Five Institutions for the study of the problems of national development and the science of government.
6. Two large libraries containing all Government publications of importance.
7. Special scientific libraries.
8. Other scientific institutions such as Societies, Committees and study circles.

*Ukraine.*—The work in the Ukraine is arranged on the same general plan, but it is controlled by the Scientific Committee of the Commissariat of Education on the one hand and by the Ukrainian Academy of Science at Kiev on the other.

Thirty-five special establishments are attached to the Ukrainian Academy and it has a considerable publishing activity. It is to this University that is attached the central Ukrainian library of 700,000 volumes. There are good scientific and general libraries at Kharkov and at Odessa.

An exhibition of publications in 1923 showed 40,000 exhibits. The Central Book Agency of the Government distributed 66,843 publications in the first nine months of 1923.

### Art and the Theatre

The Russian people are highly developed on the side of artistic appreciation and artistic expression. And an inevitable effect of the revolution has been to stimulate all sorts of new enterprises. In the earlier stages of the post-revolutionary developments there was a very large increase in the number of theatres, but there has been a decrease since 1922, owing to the changes induced by the New Economic Policy introduced in 1921. But the artistic development still goes on. One of the first effects of the revolution in Petrograd was that "every one came out into the streets and danced," an event that even had its parallel in Paris and London after the making of peace in the World War. But in Russia, although the people no longer dance so much in the street, they certainly dance more, in mind and body in the theatre.

The present system is that some of the chief theatres are purely State theatres, e.g., the former Imperial Theatres in Moscow and Leningrad, the Moscow Art Theatre, the Kemarny and the Jewish Central Theatre among them. All theatrical property in the provinces has been nationalized, and the theatres are managed either directly by the local Soviets, or are leased out by them. All plays are, of course, subject to censorship and this is used not in a purely negative way to prevent offensive or injurious political allusions or indecency as in Great Britain, but to help in the "Political Education" of the people. It is interesting to note that the Chief Commissar of Education, A. Lunacharsky, is himself a dramatist and two of his plays have been produced, "Faust and the City" in Leningrad, and "Oliver Cromwell" in Moscow, both at the State theatres. The larger number of other theatres exist only for the purpose of entertainment, but the censorship has a tendency to key them up to a higher standard than they would otherwise attain. Another group of theatres owned privately are purely cultural in their aims, and it is in them that the artistic revolutionary play finds its interpretation. Among them are the Meierhold Theatre, the Moscow Comedy, the Karl Marx Theatre at Saratov and a theatre in the Georgian Republic at Tiflis. Another group of theatres is controlled by the Workers' Cultural League,



the Proletcult, and is still more markedly artist-propagandist ; to this group also belongs the theatre of the Moscow Soviet called the Theatre of Revolutionary Satire. There is also in Moscow a special Children's Theatre under State direction.

Another interesting dramatic development in Russia has been the development of mass performances, somewhat akin to the pageants which have been produced in Great Britain. The storming of the Winter Palace in Leningrad formed the subject of one of these mass performances and was enacted over the same ground as the actual storming of the palace during the revolution.

The cinema is also used for propaganda and education as well as amusement and "propaganda trains" carrying cinematographic apparatus as well as lecturers, pamphlets and libraries of books have been all over Russia and Siberia.

### Child Welfare and Physical Culture

A special department of the Commissariat of Health is concerned with child welfare and is strengthened by a strong representative of the Commissariat of Education. This is an arrangement closely parallel with the existing organization in Great Britain.

There are four training establishments for instructors in physical culture, with the object of spreading the trained instructors as widely as possible over the educational field, and there are about 18 institutions devoted to physical culture as well as the organizations of Boy Scouts and Girl Guides and Athletic Clubs (among them football and rowing figure prominently).

The child welfare work is under the supervision of special school doctors, and there are institutions for research and study in this speciality. It is proposed that all children shall be examined by a doctor before admission to school, residential institution or colony, and courses of training have been established to fit doctors to undertake this specialized work. There are now school doctors attached to many schools.

The development of residential homes and school colonies has been temporarily slackened for financial reasons, but the school holiday in Russia is often the occasion for a mass-

emigration of children to the forests or the open countryside and many thousands of children take such a holiday as part of their normal school life.

The World War, the revolution and the post-revolution conditions have left a terrible child problem for solution, but it is being courageously tackled and a large number of institutes exist for the treatment of the various ailments to which children are liable in all countries, and to those the special product of conditions of distress. There are now numerous child clinics established in connection with schools and over 200 special sanatoria for dealing with different classes of ailing children. Young persons employed in industry are also medically inspected at intervals, and are, if necessary, medically treated. A useful development also is the closer connection of the medical profession and the factory workers, joint committees being formed to help in the cure of those afflicted (e.g., with tuberculosis) on the one hand and to prevent the occurrence of such diseases by a modification of working conditions. This is particularly valuable as regards young workers.

#### FORM OF APPLICATION FOR ENTERING AN INSTITUTE OF UNIVERSITY GRADE

1. Name.
2. Sex.
3. Year of birth.
4. Nationality.
5. Whether first application or not.
6. Number of members of family dependent upon applicant.
7. Occupation.
8. For what periods, in what capacity, and where did applicant work.
  - (a) Before war.
  - (b) During war.
  - (c) During period February to October, 1917.
  - (d) After the October revolution.
9. State social position of parents.
10. In what periods, in what capacity, and where did applicant's parents work.
  - (a) Before war.
  - (b) During war.
  - (c) During period February to October, 1917.
  - (d) After the October revolution.

11. Name of Trade Union to which applicant belongs, length of membership and number of Trade Union book.
12. To which Trade Union do the applicant's parents belong and for how long have they been members.
13. Condition as to military service.
14. What part did the applicant take in the civil war, where, in what capacity and for how long.
15. State for what period applicant has performed Soviet work and in what capacity. (This refers to Soviets, Co-operative Societies, Trade Unions or Hospitals.)
16. What condition of education. Name of school and of classes finished.
17. Permanent address
18. Whence has applicant now arrived.
19. By whom applicant has been sent.
20. Has applicant been fully or partially released from productive work.
21. To which political party does applicant belong.
22. Political party position now, year of entrance, and number of party ticket.
23. Financial condition of parents.
24. Wages of applicant.
25. Present address.

Signature

The above statement has to be vouched for by a Trade Union, a Committee of the Communist Party or other organization which sends the applicant forward.

The application for Workmen's Faculties is very similar, but includes a question on whether the applicant has been punished for political offences, and, if so, how many times.

## CHAPTER XV

### Labour and Wages

**I**N Russia before the war the workers in mill and factory were almost outside the structure of the State. Their organizations were for the most part illegal; their opportunities for the expression of political opinion or of moulding political opinion were very scanty, and such political education as they obtained was got secretly with the ever-present possibility of arrest and imprisonment or exile. In the Soviet Union since the revolution the workers' Trade Union representatives are members of the highest governing bodies in the State,—they have representatives in the inner Cabinet, the Council of Labour and Defence, or the Soviet of People's Commissars, or the Presidium of the Central Executive Committee, or the Supreme Economic Council.

In fact, on every organization in which they feel their voice should be heard. When the Soviet Government sent a delegation to conclude a treaty with Great Britain and Northern Ireland two Trade Unionists were members of that delegation. One of those members, Mr. Tomskey, the President of the All-Russian Trade Union Congress, was a factory operative before the war, and learned his politics and economics at secret meetings where he was instructed by stealth by a member of a revolutionary organization.

But the privileges of Trade Unionists are not confined to a few persons selected on account of special ability, or adaptability, and promoted to high office. The Trade Unions have privileged rights to house-room for their meetings and their offices, to participation in the managerial work of individual factories, and they have privileges as regards housing for themselves and their families, as regards cheap travelling,

cheap amusements and priority as regards opportunities for education from the lower stages of the elementary schools up to the Universities.

On the other hand, the rates of wages and the general standard of life of the workers have deteriorated; housing is probably better on the average than before the war, but food is probably not so good. Clothing and boots are dear.

In another way the worker has more intellectual freedom than before the war.

It is true that the Press is Government-controlled, but it deals to a large extent with matters of immediate interest to the workers and in that Press there is more freedom of discussion of workers' questions than there was in the Press before the war.

The Trade Unionist is, in fact, a privileged person, and his improvement in status helps to reconcile him to a deterioration of standard of life in certain respects.

Life in Russia in 1920 was very hard indeed, and life in Russia in 1925 has still to face the difficulties of a tremendous economic organization. There is unemployment in Russia and there are hard times, but the difficulties and the hard times are those of pioneers, not those of serfs and drudges. Wages rates are accepted in Russia, because they are self-imposed with a full knowledge of conditions, lower than would be accepted without knowledge.

### Workers' Budgets

The tables below give Budgets of workers in Moscow and in some of the chief towns of Russia. The statistics are taken from the publication of the Central Statistical Bureau prepared for the Congress of the Communist Party and published in Moscow in 1924 (*People's Economy of the Soviet Union in Figures*, Moscow, 1924).

It will probably be agreed by most readers that these tables are very remarkable human documents. That the "selling of personal possessions" and "borrowed money" can figure as regular items of income over an area extending from Moscow to Archangel, to the Urals and the Donetz coal-fields and the sugar factories of the Ukraine indicates a strange development of

# BUDGET OF WORKER'S FAMILY IN NOVEMBER, 1923 (In Budget roubles)

	Moscow.		Ivanovo-Voznesensk.		Yaroslavl.	
	Average per Household.	Per cent.	Average per Household.	Per cent.	Average per Household.	Per cent.
INCOME (MONTHLY)						
Wages of head of family . . . . .	28.37	67.9	20.89	72.3	12.87	55.2
Other income of head of family . . . . .	1.05	2.4	0.78	2.7	0.82	3.5
Wages of members of family . . . . .	7.00	16.8	3.42	11.8	7.40	31.6
Other income of members of family . . . . .	1.17	2.8	1.06	3.7	0.08	0.4
Income from own household . . . . .	0.02	0.1	1.19	4.1	0.06	0.2
Selling of personal possessions . . . . .	1.17	2.8	1.01	3.5	0.47	2.1
" stored products . . . . .	0.06	0.1	—	—	0.15	0.6
Money borrowed . . . . .	1.75	4.2	0.19	0.7	0.29	1.1
Credit in shops and co-operatives . . . . .	0.25	0.6	0.15	0.5	0.39	1.7
Other sources of income . . . . .	0.95	2.3	0.19	0.7	0.50	2.2
Deposits withdrawn . . . . .	—	—	—	—	0.32	1.3
Total . . . . .	41.79	100	28.88	100	23.35	100
EXPENSES (MONTHLY)						
Rent . . . . .	2.35	5.8	0.96	3.4	0.30	1.3
Fuel . . . . .	2.22	7.3	4.89	17.0	2.28	9.8
Food . . . . .	17.91	44.2	11.29	39.6	11.60	49.8
Alcoholic drinks . . . . .	0.34	0.9	—	—	0.20	0.9
Tobacco and matches . . . . .	0.69	1.7	0.35	1.2	0.35	2.3
Dress, shoes and laundry . . . . .	10.82	26.8	7.34	25.6	6.21	26.6
Household necessities . . . . .	0.65	1.6	0.32	1.1	0.55	2.3
Hygiene . . . . .	0.29	0.7	0.06	0.2	0.02	0.1
Medical expenses . . . . .	0.17	0.5	0.13	0.5	0.01	—
Educational . . . . .	0.86	2.1	0.56	2.0	0.41	1.8
Social and Political . . . . .	1.15	2.8	1.21	4.2	0.37	1.5
Help to other members of family . . . . .	0.56	1.4	0.01	0.1	0.21	0.9
Household production . . . . .	0.02	0.1	0.68	2.4	0.20	0.9
Other expenses . . . . .	1.42	3.5	0.77	2.7	0.45	1.8
Total Expenses . . . . .	40.45	100	28.57	100	23.16	100

**BUDGET OF WORKER'S FAMILY IN NOVEMBER, 1923 (continued)**  
(In Budget roubles)

	Nipt-Novgorod.		Tula.		Archangel.	
	Average per Household.	Per cent.	Average per Household.	Per cent.	Average per Household.	Per cent.
<b>INCOME (MONTHLY)</b>						
Wages of head of family . . . . .	34.15	88.0	20.35	71.6	24.40	73.6
Other income of head of family . . . . .	1.49	3.8	0.88	3.1	2.14	6.5
Wages of members of family . . . . .	0.43	1.1	0.82	2.9	3.82	11.5
Other income of members of family . . . . .	—	—	0.44	1.6	0.45	1.3
Income from own household . . . . .	0.78	2.0	0.36	1.3	0.17	0.5
Selling of personal possessions . . . . .	0.73	1.9	3.73	13.1	0.14	0.4
" signed products . . . . .	0.06	0.2	—	—	0.15	0.5
Money borrowed . . . . .	0.80	2.3	1.32	4.6	0.30	0.9
Credit in shops and co-operatives . . . . .	0.04	0.1	0.03	0.1	0.11	0.4
Other sources of income . . . . .	0.23	0.6	0.47	1.7	0.37	0.8
Deposits withdrawn . . . . .	—	—	—	—	1.19	3.6
<b>Total . . . . .</b>	<b>38.81</b>	<b>100</b>	<b>28.40</b>	<b>100</b>	<b>33.14</b>	<b>100</b>
<b>EXPENSES (MONTHLY)</b>						
Rent . . . . .	1.47	4.1	0.40	1.4	1.76	5.3
Fuel . . . . .	4.12	11.4	5.01	17.9	0.98	3.0
Food . . . . .	16.53	45.9	10.78	38.5	19.54	59.3
Alcoholic drinks . . . . .	0.18	0.5	—	—	0.10	0.3
Tobacco and matches . . . . .	0.32	0.9	0.26	0.9	—	—
Dress, shoes and laundry . . . . .	8.32	21.6	7.05	25.2	6.91	20.9
Household necessities . . . . .	0.59	1.7	0.61	2.2	0.27	0.8
Hygiene . . . . .	0.12	0.3	0.25	0.9	0.14	0.4
Medical expenses . . . . .	0.03	0.1	0.06	0.2	0.06	0.2
Educational . . . . .	0.56	1.6	0.45	1.6	0.22	0.7
Social and Political . . . . .	1.17	3.2	1.00	3.5	0.87	2.6
Help to other members of family . . . . .	0.12	0.3	0.08	0.3	0.23	0.7
Household production . . . . .	0.74	2.1	1.14	4.1	0.03	0.1
Other expenses . . . . .	1.22	3.4	0.91	3.3	0.75	2.3
<b>Total Expenses . . . . .</b>	<b>35.99</b>	<b>100</b>	<b>28.00</b>	<b>100</b>	<b>32.98</b>	<b>100</b>

**BUDGET OF WORKER'S FAMILY IN NOVEMBER, 1923 (continued)**  
(In Budget roubles)

	Orel		Don Basin. (Miners)		Kiev Gubernia. (Sugar Workers.)	
	Average per Household	Per cent.	Average per Household.	Per cent.	Average per Household.	Per cent.
<b>INCOME (MONTHLY)</b>						
Wages of head of family.	19.04	59.5	28.13	78.5	36.44	68.4
Other income of head of family.	1.05	3.1	0.39	1.1	0.79	1.5
Wages of members of family.	1.32	3.9	2.30	7.8	1.36	2.5
Other income of members of family.	0.40	1.2	0.33	1.0	0.06	0.1
Income from own household.	2.74	8.1	1.87	5.2	3.90	7.3
Selling of personal possessions.	1.14	3.4	0.69	1.9	3.13	5.9
" stored products.	0.21	0.6	0.01	—	1.26	2.3
Money borrowed.	1.35	4.0	0.72	2.0	1.15	2.2
Credit in shops and co-operatives.	1.10	3.2	0.18	0.5	3.83	7.2
Other sources of income.	1.10	3.2	0.71	2.0	0.81	1.6
Deposits withdrawn.	4.28	12.7	—	—	0.52	1.0
<b>Total</b>	<b>33.73</b>	<b>100</b>	<b>35.83</b>	<b>100</b>	<b>53.25</b>	<b>100</b>
<b>EXPENSES (MONTHLY)</b>						
Rent.	0.58	1.6	1.15	3.6	1.73	3.2
Fuel.	4.96	14.7	3.68	11.3	4.96	9.4
Food.	15.29	45.3	10.63	33.3	22.38	42.1
Alcoholic drinks.	0.08	0.2	0.34	1.1	0.36	0.6
Tobacco and matches.	0.10	1.2	0.32	1.0	0.76	1.4
Dress, shoes and laundry.	8.38	24.9	11.91	37.3	16.11	30.3
Household necessities.	0.45	1.3	0.46	1.4	0.43	0.8
Hygiene.	0.06	0.2	0.01	—	0.09	0.2
Medical expenses.	0.03	0.1	0.24	0.8	0.02	0.1
Educational.	0.20	0.9	0.33	1.0	0.45	0.9
Social and Political.	0.84	2.5	1.05	3.3	0.87	1.6
Help to other members of family.	0.03	0.2	0.10	0.3	0.82	1.5
Household production.	1.32	3.9	0.68	2.2	3.42	6.5
Other expenses.	0.99	3.0	1.03	3.2	0.72	1.4
<b>Total Expenses</b>	<b>33.73</b>	<b>100</b>	<b>31.93</b>	<b>100</b>	<b>53.10</b>	<b>100</b>



human life. A similar state of affairs exists in Great Britain, but to a less extent; there are many homes where a visit to the pawnbroker is a regular occurrence and in the station of society which has bank accounts there are very many in which overdrafts are fairly frequent happenings.

Perhaps the statisticians of Soviet Russia will explain to us from whom the workers borrow and to whom they sell their possessions and "surplus stores."

The observer will also note that in the towns of Tula and Ivanovno-Voznesensk there is no expenditure recorded for "alcoholic drinks."

The amount spent on rent is low; the amount spent on education is proportionately considerable and helps to make up the educational Budget and supplements the expenditure from the Central Government and from the local taxation.

But the whole of the Budgets are stamped with the imprint of a peasant community. "Income from own household" may be from a patch of land or a peasant craft. "Stored products" are only possible in a poor community if it is also a peasant community.

### Are Wages Sufficient ?

A survey of these workers' budgets would certainly suggest that wages are not sufficient in view of the fact that they are so universally supplemented by the items recorded.

But they are probably up to, if not above, the wages received before the war, when the social services received are considered with wages. It is impossible, however, to escape the belief that the wages are not enough, and no doubt that is also the view of the Soviet Government, who are so strenuously insisting on the need for greater production.

A further table of comparative wages as between 1913 and 1924, both calculated in Budget roubles, shows that wages have considerably decreased in money value, and show, incidentally, how very badly Soviet Statistical employees are paid.

REAL WAGES OF WORKERS IN LARGE-SCALE INDUSTRY AT  
MONTHLY RATES  
(In Budget roubles)

Year	All Industries	Metal.	Textile.	Chemical	Moscow.	Lenin-grad.
1913 . .	32.25	44.30	21.79	25.00	27.10	32 00
1924, Jan- uary . .	20 91	22 94	18.04	20.53	26.84	24.06

AVERAGE MONTHLY WAGES OF EMPLOYEES OF GUBERNIA INSTITUTES  
(In Budget roubles)

Name of Gubernia Establishments.	February, 1924.
Gubernia Statistical Bureau . . . . .	17.56
„ Executive Committee . . . . .	26.07
Department of Labour . . . . .	28.76
Law Courts . . . . .	21.74
Workman's Peasant Inspection . . . . .	43.40
Product Committee . . . . .	20 02
Finance Department . . . . .	27.25
Soviet of the People's Economy . . . . .	32.16
Trade . . . . .	35.79
Union E.P.O.. . . . .	33.10
Bank . . . . .	44 06

In interpreting wages rates as between Russia and Great Britain it is not only necessary to calculate the value of social services and privileges given to the worker in Russia by the State, but also to recognize that the prices of foods and other necessities are so different in the two countries as to make comparison difficult. A wage of a pound a week in Great Britain would mean starvation for a family, but a pound a week in Russia means a higher standard of life.

The essential improvement the revolution has brought to the worker in Russia is an improvement in status and the opening of the doors of opportunity to a fuller life. Material conditions are not worse than before the revolution and in exceptional cases may even be better, but they are on the whole much as they were before. But the worker now has his opportunity and what becomes of the Soviet Union will largely depend on what the thousands of the organized workers make of their opportunities.

The workers have shattered the fabric of an old and decrepid order. Can they build up a new order which will not only preserve to them political economic privileges but actually raise the material standard of their lives ?

## Trade Union Organization

The basis of all Trade Unions organizations in Russia is the factory or workshop group. All persons employed in the factory belong to the Union (voluntary), for there is no organization by craft.

The duties of the factory group are (1) to represent the workers and employees and protect their interests ; (2) to see that the management keeps the regulations of the Labour Code and to co-operate with the Government authorities in this respect.

The factory groups elect a Committee to manage Trade Union affairs, and the numbers are fixed according to the number of employees. Of these Committees a definite proportion (up to 300 members one representative, up to 5,000 five representatives) have to be released from all duties as factory operatives or employees and seconded for the service of the Union, with pay according to their grade as workers.

The factory Committee does not control the technical management of the factory or its financial policy (in this respect there has been a great change since 1920), but when new workers are taken into employment or are proposed for dismissal the Committee has to be informed.

The Committee have free access to all workshops, laboratories or offices of the factory. Premises for the use of the Committee with necessary furniture must be supplied by the management, who also contribute a sum of money up to 2 per cent. of the total wages bill of the establishment.

The present status of Trade Unions is regulated by the Statute of the All-Russian Central Council of Trade Unions agreed to at the Fifth All-Russian Congress of Trade Unions. The sense of its provisions is given below :—

1. The Supreme Trade Union authority in the Soviet Union, between the All-Russian Congresses of Trade Unions, is the All-Russian Central Council of Trade Unions.

2. The duties of the All-Russian Central Council of Trade Unions are :—

- (a) To guide the All-Russian Trade Union movement by directing the activities of All-Russian Trade Unions of producers and of inter-union associations according to the policy agreed on at the All-Russian Trade Union Congresses.
  - (b) To help the development of the Trade Union movement by oral and printed propaganda.
  - (c) To execute all necessary work in connection with the meetings of the All-Russian Congress of Trade Unions and the preparation for these meetings.
  - (d) To fix the time of the Congresses or of Conferences.
3. The All-Russian Council of Trade Unions—
- (a) Represents the organized Trade Union proletariat in all Government and social organizations and institutions.
  - (b) Drafts projects of law with regard to the economic and educational interests of the members of Trade Unions and takes measures to bring these laws into force through the appropriate Government departments.

4. All regulations of the All-Russian Council of Trade Unions are obligatory for all its constituent associations. Failure to observe the regulations may be followed by dismissal of the officials and dissolution of the organization.

5. The resources of the All-Russian Council of Trade Unions are made up as follows :—

- (a) By a deduction of 10 per cent. from fees received by the Central Committees of constituent Unions.
- (b) Miscellaneous receipt.

(Note.—Trade Unions still get considerable State support directly and indirectly and through Co-operative organizations, especially for their Educational work.)

6. All-Russian Congresses of Trade Unions are called once a year. Special congresses may be called by order of the All-Russian Central Council of Trade Unions, or on the demand of not less than half of the All-Russian Associations of Trade

Unions or of Associations containing not less than half of the total membership of the Unions.

7. The All-Russian Central Council of Trade Unions is elected by the All-Russian Congress of Trade Unions; it consists of 70 members and 35 "candidates" (i.e., substitute members).

8. The All-Russian Central Council of Trade Unions elects from its members a chairman, secretary and presidium of 13 members and 6 "candidates."

9. Meetings of the All-Russian Central Council of Trade Unions take place not less often than once in three months. Special meetings are held by order of the presidium. In urgent cases the presidium has the right to call a meeting of members of the Council who are in Moscow.

10. The All-Russian Congress of Trade Unions also elects a "revision committee" of 3 members and 2 candidates which has the duty of inspecting the administrative, economic and financial activities of the Council.

The chief differences between the statute so outlined and the procedure which governs Trade Union activity in other countries lies rather in the enormously greater importance of the functions discharged than in the methods.

But great and important as the functions of Russian Trade Unionisms now are, constituting indeed one of the pillars upon which the power of the State rests, they are severely limited in comparison with their activities in 1920.

The battle of conflicting ideas has raged round the question of the co-operation of the workers in industry. The extreme Communist school wished the Unions to take a large share in technical and managerial control in order by mass action to engender new forms of Communist life. The movement found expression in a "workers' opposition" to the bureaucratizing, expertizing tendencies of the chief Soviet leaders which, while beaten inside the Unions and inside the workers' movement generally, including the Communist Party, is bound to have an important influence in the future.

The turning-point in policy found expression in the decisions of the Ninth Congress of the Russian Communist Party in

March, 1920.<sup>1</sup> At that Conference the principle of "one man management" was established and the need of the expert very completely realized. The conference indeed marked one of the stages—and a very big one—toward the New Economic Policy in which the function of the Trade Union is no longer to be the creator of new forms of production.

Nevertheless, the Trade Union is becoming the creator of new forms of life; the theatre in the factory, the newspaper in the factory, the Trade Union as the open gateway to education and to positions of power and influence in the State have a much wider significance than any similar bodies in this country.

### Membership of the Trade Unions

The change of social policy by the Soviet Government in 1921 was at once reflected in the organization of Trade Unions. In the earlier period of the revolution the Trade Unions were to a large extent the productive aspect of the State. Membership of the Unions was compulsory, the strike was forbidden and the most important functions of the Unions were not those of the protection of workers but of the control of industry. The New Economic Policy stopped that as, in an analogous case, it stopped the organization of the consuming aspect of the State through a State co-operation.

The difficulties of the change were enormous in the case of the Trade Unions. The financial difficulty was in itself tremendous because the New Economic Policy involved putting the Trade Unions on to their own resources and on to a voluntary basis.

Voluntary membership was not, however, introduced until 1923. Now the larger part of all contributions are paid individually, and State financial support of the Unions is reduced to a comparatively small figure. The changes in policy produced great changes in the number of members. The following table shows the changes since 1917 :—

<sup>1</sup> Printed in appendix to report of British Labour Delegation to Russia in 1920.

## THE NEW RUSSIA

### MEMBERSHIP OF TRADE UNIONS FROM 1917 TO 1924 (In thousands)

April 1, 1917	.	.	.	.	.	.	693
" 1918	.	.	.	.	.	.	1,946
" 1919	.	.	.	.	.	.	3,707
" 1920	.	.	.	.	.	.	5,222
" 1921	.	.	.	.	.	.	7,524
June 1, 1921	.	.	.	.	.	.	8,453
October 1, 1921	.	.	.	.	.	.	7,939
January 1, 1922	.	.	.	.	.	.	6,740
April 1, 1922	.	.	.	.	.	.	5,822
June 1, 1922	.	.	.	.	.	.	5,028
October 1, 1922	.	.	.	.	.	.	4,494
January 1, 1923	.	.	.	.	.	.	4,577
April 1, 1923	.	.	.	.	.	.	4,838
July 1, 1923	.	.	.	.	.	.	5,345
October 1, 1923	.	.	.	.	.	.	5,551
January 1, 1924	.	.	.	.	.	.	5,621
October 1, 1924	.	.	.	.	.	.	6,036

According to the Sixth All-Russian Congress of Trade Unions which met in Moscow in November, 1924, the percentage of manual workers in the Union is 61, that of employees 39. Of the total number of members 24 per cent. are women and 3.1 are young persons. Although membership is voluntary, there are less than 400,000 manual workers or employees who are not Trade Unionists, and these are largely Soviet officials or seasonal workers—i.e., peasants temporarily employed, as at the Donetz coal-mines.

### Difficulties of Trade Unionism in Russia

The difficulties of Trade Unions are those of administration and those of finance. Wages are often paid in arrears, especially the wages of the State Industry. Thus the newspaper of the Trade Unions, *Trud* (Labour), of November 16, 1924 (quoted L.L.O., Vol. XIII, 1-2), estimates that wages on September 1, 1924, were in arrear to the extent of about £800,000 sterling. And a considerable number of Trade Union members are in arrear with their contributions.

The difficulties of administration are due to the tendency to red-tape, or more accurately "paperassarie," which has dogged the steps of the revolution since its beginning. All

transactions involve the handling of a mass of papers "controlled" and re-controlled to an extent which wastes a great deal of valuable time.

### Unemployment

Unemployment gives the Trade Unions a great deal of work, but it is a difficulty of the social situation and does not depend on Trade Union organization

The unemployed on July 1, 1924, numbered 1,400,000, of whom about 350,000 were skilled workers, but on November 1, 1924, the number had been reduced to 725,000 in consequence of administrative reorganization of the Labour Exchanges. The unemployed at present are . Industrial, 28 per cent. ; non-manual (clerks, medical and educational workers, etc.), 35 per cent. ; and general labourers, 21 per cent. Fifty-seven per cent. of the unemployed are men and 43 per cent. are women. Thus it is seen that unemployment amongst women—who form only 24 per cent of Trade Union membership—is very much more serious than among men. The relative degree of unemployment of young persons is also greater than among men.

The new organization of the Labour Exchanges was formerly embodied in the decree of January 2, 1925, but its provisions had become operative before and led to the reduction noted.

Employment and unemployment in Russia do not follow the same course as in Western European countries. In the first place, Russia is so overwhelmingly peasant that a revival of industry in the towns always attracts more workers than can be absorbed. Thus the curve of workers employed rises at the same time as the curve of workers unemployed. The new regulations are intended to prevent the registration of all those who are not genuinely unemployed.

Another factor which swelled the list of unemployed in Russia was the fact that the unemployed worker is placed in a privileged position as regards rent, heat and light, taxation and benefit. Thus an employed worker who fails to pay his rent receives seven days' notice, but an unemployed worker receives two months' notice and cannot be turned out of his house during the winter months.



The new decree provides for the abolition of the compulsory hiring of labour through the Labour Exchanges ; this is now entirely voluntary. Further, all Labour Exchanges are State controlled. Now either the employer or the employee are at liberty to apply or not to apply to the Labour Exchange, and employer and employed are further free to accept or reject the worker or the work offered.

The Labour Exchange is now setting itself the task of succeeding as the medium for the finding of employment or of the engaging of labour by its own efficient management. The regulation, or attempted regulation, of the labour market is abandoned.

The Labour Exchange is to be transformed "from an organ of pressure to an organ exclusively of assistance." It is emphasized that there is to be a "complete abandonment of the old methods," and the Exchanges are to aim to "create an atmosphere of the fullest confidence in the large masses of unemployed as well as of the employers, they should attain such a level when in spite of the full freedom of the hire of labour outside Labour Exchanges, the hire of labour by State, co-operative and private organizations, will nevertheless be effected through Labour Exchanges as organs of State labour agencies."

The second paragraph of the Decree referred to provides for the subsequent registration of the hiring of labour, but it must be exclusively statistical and is to take place at regular intervals of time so as to prevent this registration being used as a new way to achieve the old compulsory methods.

As a result of this decree greater attention is being paid to measures to combat unemployment, not by the setting up of relief work, but by the development of new industries and, so far as the young people are concerned, by extending facilities for education.

### The Future of Trade Unionism

It appears from the facts adduced in this chapter that Trade Unionism in Russia is fighting against tremendous difficulties. But again taking the period of 1920 as our datum line the difficulties are much less and the prospects

of settlement much better when seen in this perspective.

What new ways Russia will discover cannot be foretold, but a Trade Union movement which is not only an organization in Leningrad and Moscow, but also in Baku and Bokhara, the towns of the Don Province and the Ukraine, the towns of the Steppe and the forest, the towns of Russia and Siberia, of Europe and of Asia, will certainly bring to the life of Russia a characteristic contribution of its own. For already the Trade Unions are evolving a science of their own.

### The Central Labour Institute

In Western Europe and the United States the question of "scientific management" is approached from the standpoint of the employer anxious to increase profits. In Russia the controlled production by the State, in which the Trade Unions take such a large share, has led to the study of methods of increasing output, by which the worker may be taught the use of methods by which he can achieve high efficiency with the not very good material and machinery at his command. This Central Labour Institute was founded in Moscow in very small premises, but has grown steadily since and now occupies a large building.

The movements particularly studied have been the fundamental processes of (1) chipping with a chisel and (2) filing which are regarded as typical of all manual or "tool and muscle" work.

To investigate these processes the Institute has organized a series of laboratories. The bio-mechanical laboratory photographs the movements of the limbs of a worker to which tiny electric lamps are attached and the resulting "cyclograms" can be analysed and the mechanics of the motions studied.

Other investigations are carried on upon the influence of expenditure of energy, fatigue, alteration of blood condition, alteration of mood and emotion.

In a special laboratory methods have been devised to test the aptitude of young persons for special employment.

In another department tools are standardized with reference to the human machine which is to use them.

On the basis of these researches the Institute has evolved some remarkable methods of training.

Thus an apprentice can be trained in chisel chipping in 10 working hours, divided into spells of 1 to 1½ hours each. The teaching of metal filing which under usual conditions is a matter of years has been compressed into 70 working hours. And on the basis of such scientifically systemized instruction "production instructor" courses are based which are able, for example, to turn out locksmiths of average skill in a period of three months' training.

Another aspect of the training is that concerned with problems of organization of working space and working time.

The teaching department of the Institute trains skilled workers and instructors of workers; already twelve sets of apprentices have passed through the school and instructors have been trained and are at work in forty different towns of the Soviet Union.

Advice on organization has also been largely given and some very important institutions including the Centrosoyus, the State Stores in Moscow, and others have been reorganized by the Institute's consultants.

The influence of the Institute is spreading and it is being more and more called into consultation in connection with both industries and with Government departments. The workers in the Institute now number 150 and it seems destined to play a big part in the Soviet programme of increased production.

In the seven years of revolution the Trade Union has travelled from the path of insurrection and class war to that of large-scale social organization and education of its members and towards the deliberate use of science to create new values. The creative use of scientific knowledge is part of the policy of the Soviet Government.

Appendix I

THE ADMINISTRATIVE  
POLITICAL STRUCTURE OF  
U. S. S. R.

*Part I*

THE CHANGES IN ADMINISTRATIVE-  
TERRITORIAL DIVISION OF U.S.S.R.  
DURING THE PERIOD FROM  
1917 UP TO 1924

BY

S. T. SULKEVITCH

THE STATISTIC-EDITOR OF THE STATISTICAL BUREAU OF THE PEOPLE'S  
COMMISSARIAT OF INTERNAL AFFAIRS

PUBLISHED BY  
THE NORTH-WESTERN REGION BRANCH OF THE HEAD OFFICE  
OF THE IZVESTIA OF THE CENTRAL EXECUTIVE COMMITTEE  
OF S.S.S.R. AND ALL-RUSSIAN CENTRAL EXECUTIVE  
COMMITTEE

—  
L E N I N G R A D

1924

## APPENDIX I

## I. R.S.F.S.R.

## A EUROPEAN PART

I. Gubernias	Area in square versts.	Date.
1. Archangel . . . . .	502,988	January 1, 1923
2. Astrakhan . . . . .	18,530	January 1, 1924
3. Bryansk . . . . .	25,900	" "
4. Vitebsk . . . . .	35,206	" "
5. Vladimir . . . . .	32,500	" "
6. Vologda . . . . .	97,000	" "
7. Voronej . . . . .	61,100	" "
8. Vyatka . . . . .	92,629	" "
9. Gomel . . . . .	47,700	" "
10. Town Grozni . . . . .	no data	—
11. Don Province . . . . .	63,511	January 1, 1923
12. Eekatorinburg . . . . .	138,051	September 1, 1923
13. Ivanovo-Voznesensk . . . . .	27,000	January 1, 1924
14. Kaluga . . . . .	23,400	" "
15. Kostroma . . . . .	47,000	" "
16. Kuban-Black Sea . . . . .	75,800	" "
17. Kursk . . . . .	40,821	" "
18. Leningrad . . . . .	60,800	" "
19. Moscow . . . . .	40,300	" "
20. Murmansk . . . . .	130,210	" "
21. Nijni-Novgorod . . . . .	73,100	" "
22. Novgorod . . . . .	45,333	" "
23. Orel . . . . .	23,814	" "
24. Penza . . . . .	42,400	" "
25. Perm . . . . .	188,335	September 1, 1923
26. Pskov . . . . .	37,300	January 1, 1924
27. Ryazan . . . . .	44,400	" "
28. Samara . . . . .	91,400	" "
29. Saratov . . . . .	79,800	January, 1924
30. Severo-Dvinsk . . . . .	89,600	January 1, 1924
31. Simbirsk . . . . .	33,400	" "
32. Smolensk . . . . .	53,500	September 1, 1923
33. Stavropol . . . . .	31,978	January 1, 1924
34. Tambov . . . . .	38,200	" "
35. Tver . . . . .	55,700	" "
36. Terskaya . . . . .	31,500	" "
37. Tula . . . . .	25,500	" "
38. Tsaritsyn . . . . .	88,981	" "
39. Tcheliabinsk . . . . .	109,700	September 1, 1923
40. Tcherepovets . . . . .	55,523	January 1, 1924
41. Yaroslavl . . . . .	32,100	January 1, 1923

A. EUROPEAN PART (*continued*)

2. Autonomous regions.	Area in square versts.	Date.
1. Adigeevsk . . . . .	2,300	January 1, 1924
2. Votyak . . . . .	25,430	" "
3. Kabarda-Balkarskaya . .	10,300	" "
4. Kalmuk . . . . .	86,943	" "
5. Karachaevo-Tcherkess . .	10,500	" "
6. Komi (Ziryansk). . . . .	396,900	" "
7. Marisk . . . . .	14,281	" "
8. Tchechensk . . . . .	9,200	" "
9. Tchuvas . . . . .	15,200	" "
3. Autonomous republics.	Area in square versts.	Date.
1. Bashkir A.S.S.R. . . . .	126,000	January 1, 1924
2. Gorski (Mountain) A.S.S.R.	9,800	" "
3. Daghestan A.S.S.R. . . . .	43,000	" "
4. Karelia A.S.S.R. . . . .	95,000	September 1, 1923
5. Crimean A.S.S.R. . . . .	33,881	January 1, 1924
6. German Volga A.S.S.R. . .	24,000	" "
7. Tatar A.S.S.R. . . . .	61,000	January 1, 1923

## B. ASIATIC PART

1. *Siberia.*

Gubernias.	Area in square versts.	Date.
1. Altai . . . . .	1,595,966	September 1, 1923
2. Yenisei . . . . .	2,246,500	January 1 1924
3. Irkutsk . . . . .	734,500	" "
4. Novo-Nikolaiev . . . . .	140,000	" "
5. Omsk . . . . .	219,784	" "
6. Tomsk . . . . .	378,300	" "
7. Tumen. . . . .	1,069,557	September 1, 1923
8. Oiratsk autonomous region	no data	—

## APPENDIX I

## 2. Far-Eastern Region.

Gubernias.	Area in square versts.	Date.
1. Amur . . . . .	352,281	January 1, 1924
2. Zabaikal . . . . .	291,100	" "
3. Kamchatka . . . . .	1,143,410	" "
4. Preemorsk . . . . .	40,800	" "

## 3. Buryat-mongol A.S.S.R.

	Area in square versts.	Date.
	347,200	January 1, 1924

## 4. Turkestan A.S.S.R.

Regions.	Area in square versts.	Date.
1. Amu-Darya . . . . .	97,100	January 1, 1924
2. Djetusinsk . . . . .	329,000	" "
3. Samarkand . . . . .	60,600	" "
4. Syr-Darya . . . . .	344,039	" "
5. Turkmen . . . . .	341,500	" "
6. Ferghana . . . . .	126,267	" "

## 5. Kirghiz A.S.S.R.

Gubernias.	Area in square versts.	Date.
1. Akmolinsk . . . . .	440,000	January 1, 1924
2. Aktubinsk . . . . .	244,200	" "
3. Bukeevsk . . . . .	82,857	September 1, 1923
4. Kustanaisk . . . . .	106,200	January 1, 1924
5. Orenburg . . . . .	42,600	" "
6. Semipalatinsk . . . . .	476,600	September 1, 1923
7. Ural . . . . .	159,200	January 1, 1924
8. <del>Alaevsk</del> Rayon . . . . .	256,456	" "
9. Turgai Rayon . . . . .	146,800	" "

# APPENDIX I

442

## 6. Yakutsk A.S.S.R.

	Area in square versts.	Date.
	3,311,520	January 1, 1924

## II. THE TRANSCAUCASIAN S.F.S.R.

Socialistic Soviet Republics.	Area in square versts.	Date.
1. Azerbaijan . . . . .	76,447	January 1, 1924
2. Armenian . . . . .	34,288	" "
3. Georgian . . . . .	57,967	September 1, 1923

## III. THE UKRAINIAN S.S.R.

Gubernias.	Area in square versts.	Date.
1. Volinsk . . . . .	27,824	January 1, 1924
2. Donetz . . . . .	50,174	" "
3. Ekaterinoslav . . . . .	63,790	" "
4. Kiev . . . . .	42,444	January 1, 1922
5. Odessa. . . . .	60,416	January 1, 1924
6. Podolia . . . . .	30,098	" "
7. Poltava . . . . .	34,685	" "
8. Kharkov . . . . .	2,836,731	" "
9. Tchernigov . . . . .	30,405	" "

## IV. THE WHITE RUSSIAN S.S.R.

	Area in square versts.	Date.
	52,398	January 1, 1924





# THE ADMINISTRATIVE POLITICAL STRUCTURE OF U.S.S.R.

## *Part II*

THE LIST OF REPUBLICS, REGIONS, GUBERNIAS,  
UYEZDS AND VOLOSTS OF U.S.S.R., ACCORDING TO  
DATA OF THE 1ST OF MAY, 1924

BY

S. T. SULKEVITCH

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COMMITTEE

—  
L E N I N G R A D

1924

# Appendix II

## I. R.S.F.S.R.

### A. EUROPEAN PART

1. Gubernias.	Total Population.	Rural.	Urban.	Number of uyezds.	Number of volosts.	Number of populated places.	Number of towns.	Number of settle- ments of town type.	Capital	Population.
Archangel . . .	372,579	303,441	69,138	7	145	2,856	7	2	Archangel	53,532
Astrakhan . . .	428,315	272,964	155,351	3	28	232	3	6	Astrakhan	133,181
Bryansk . . .	1,267,575	1,117,398	150,177	6	87	2,428	7	21	Bryansk	34,673
Vitebsk . . .	1,630,640	1,409,987	220,653	7	71	16,986	10	35	Vitebsk	87,741
Vladimir . . .	1,273,341	1,072,823	200,518	13	167	4,588	15	19	Vladimir	29,589
Vologda . . .	1,023,517	938,302	84,615	5	197	9,046	6	7	Vologda	52,935
Voronej . . .	3,318,213	3,029,221	288,992	12	214	2,659	16	7	Voronej	94,185
Vyatka . . .	2,181,798	2,052,026	129,772	10	238	18,573	10	11	Vyatka	51,836
Gomel . . .	2,549,085	2,108,574	440,511	9	85	5,243	16	71	Gomel	75,939
0. Town Grozni, with a right of a gubernia	62,610	Number of househ- olds, 3,175								
1. Don Province .	1,535,035	1,193,187	341,848	6	53	2,033	5	4	Rostov-on Don	181,198
2. Ekaterinburg .	2,268,693	1,755,663	513,036	7	277	3,771	13	72	Ekaterinburg	96,771

13. Ivanovo-Voznesensk	944,568	715,278	229,285	7	135	5,648	13	29	Ivanovo-Voznesensk	71,879
14. Kaluga . . .	1,091,186	995,346	95,840	12	187	4,655	15	6	Kaluga	43,396
15. Kostroma . .	843,385	743,751	99,634	7	62	7,214	7	4	Kostroma	59,486
16. Kuban-Black Sea	2,769,380	2,286,860	482,520	7	154	1,980	10	8	Krasnodar	143,141
17. Kursk . . .	3,092,870	2,803,112	289,758	15	173	3,268	18	14	Kursk	85,732
18. Leningrad . .	2,173,796	937,444	1,236,352	8	104	6,175	21	26	Leninograd	1,043,631
19. Moscow . . .	3,771,215	1,826,690	1,944,525	17	209	7,796	21	75	Moscow	1,490,098
20. Murmansk . .	18,318	12,512	5,806	none	9	170	3	none	Murmansk	4,658
21. Nijn-Novgorod	2,786,944	2,429,022	357,922	13	271	6,713	22	29	Nijn-Novgorod	133,919
22. Novgorod . .	1,003,596	891,213	112,383	6	133	6,599	8	14	Novgorod	28,189
23. Orel . . .	1,750,666	1,575,611	181,055	8	67	4,212	8	1	Orel	71,519
24. Penza . . .	1,790,851	1,595,174	195,677	13	283	2,338	15	4	Penza	79,560
25. Perm . . .	1,967,044	1,678,541	288,503	7	271	11,728	12	45	Perm	67,986
26. Pskov . . .	1,228,194	1,113,880	114,234	8	135	18,671	9	5	Pskov	36,849
27. Ryazan . . .	2,654,497	2,474,203	180,294	14	301	4,372	15	10	Ryazan	45,086
28. Samara . . .	2,765,622	2,477,873	287,747	7	320	31,025	10	5	Samara	150,192
29. Saratov . . .	2,885,819	2,465,397	420,422	9	107	3,387	13	11	Saratov	183,145
30. Severo-Dvinsk .	611,003	578,401	32,602	3	97	6,612	7	3	Velik-Ustug	16,908
31. Simbirsk . .	1,569,322	1,394,152	175,170	6	154	1,315	7	14	Simbirsk	68,969
32. Smolensk . .	2,339,486	2,113,930	225,556	12	217	15,437	13	26	Smolensk	66,812
33. Stavropol . .	839,473	735,733	103,745	12 (rays- ons)	—	—	3	4	Stavropol	52,704
34. Tambov . . .	2,792,561	2,524,556	268,005	7	264	2,505	9	7	Tambov	70,312
35. Tver . . .	2,311,544	2,083,431	228,113	11	184	13,390	12	13	Tver	83,348
36. Turskaya . .	709,763	543,904	166,839	4	25	340	8	8	Platigorsk	40,281
37. Tula . . .	1,732,243	1,545,357	186,886	11	226	4,298	13	6	Tula	123,443
38. Tsaritsyn . .	1,428,884	1,210,424	213,460	6	75	2,103	—	8	Tsaritsyn	106,793
39. Tcheliabinsk .	1,397,574	1,146,314	251,260	5	90	2,191	—	23	Tcheliabinsk	54,166
40. Tcherepovets .	720,222	682,307	46,915	3	129	6,833	5	4	Tcherepovets	16,943
41. Yaroslavl . .	1,372,338	1,148,338	224,000	7	76	11,284	—	—	Yaroslavl	89,881

A. EUROPEAN PART (continued)—

2. Autonomous Regions.	Total Population.	Rural.	Urban.	Number of uyezds.	Number of volosts.	Number of populated places.	Number of towns.	Number of settlements of town type.	Capital.	Population.
1. Adigeysk' . . .	100,851	100,851	none	2 (districts)	18	193	none	none	Krasnodar (temporarily)	—
2. Vot'yak . . .	704,656	642,476	62,180	4	70	2,755	2	2	Izhevsk	51,883
3. Kabarda-Balkarskaya	194,084	178,774	15,310	5 (districts)	—	183	2	1	Nalchik	10,279
4. Kalmyk . . .	127,000	125,000	2,000	9	46	—	1	none	Astrakhan (temporarily)	—
5. Karachaevo-Tcherkess	140,516	130,703	18,813	5 (districts)	none	89	1	1	Batalpashunsk	18,173
6. Komi (Zir'yansk)	203,331	194,692	8,699	4	95	950	1	2	Ust-Sisolsk	7,130
7. Mariisk . . .	370,682	357,018	13,664	3 (cantons)	33	1,620	4	2	Krasnokokshaisk	3,154
8. Tchetchensk . . .	288,336	288,536	none	9	none	425	none	none	Town Grozni	—
9. Tchuvash . . .	776,181	756,168	20,013	4	58	1,684	3	3	Cheoktsari	7,169

A. EUROPEAN PART (*continued*)

3 Autonomous republics.	Total population	Rural.	Urban.	Number of uyezds.	Number of volosts.	Number of populated places	Number of towns.	Number of settlements of town type.	Capital.	Population.
Bashkir A.S.S.R.	2,572,510	2,380,932	191,578	8 (cantons)	163	3,721	8	9	Ufa	84,272
Gorski (Mountain) A.S.S.R.	331,807	255,807	76,000	3 (districts)	9	432	2	3	Vladicaucas	69,294
Daghestan A.S.S.R.	883,871	822,000	61,871	14 (districts)	67	—	4	1	Mahach-Kali	26,987
Karelian A.S.S.R.	218,769	173,887	44,882	7	60	1,840	5	10	Petrozavodsk	22,112
Crimean A.S.S.R.	594,186	337,073	257,113	14 (rayons)	—	1,807	15	6	Simferopol	70,630
German Volga	502,099	436,395	65,704	none	14 (cantons)	330	5	none	Pokrovsk	30,006
Tatar A.S.S.R.	2,503,503	2,249,372	254,131	13 (cantons)	223	3,513	—	—	Kazan	158,203

A. EUROPEAN PART (continued)—

2 Autonomous regions.	Total Population.	Rural.	Urban.	Number of nyzels.	Number of volosts.	Number of populated places.	Number of towns.	Number of settlements on town type.	Capital.	Population
1. Adigeevsk . . .	100,851	100,851	none	2 (districts)	18	193	none	none	Krasnodar (temporarily)	—
2. Volyak . . .	704,656	642,476	62,180	4	70	2,755	2	2	Izhevsk	51,883
3. Kabarda-Balkarskaya . . .	194,084	178,774	15,310	5 (districts)	—	183	2	1	Nalchik	10,279
4. Kalmyk . . .	127,000	125,000	2,000	9	46	—	1	none	Astrakhan	—
5. Karachaevo-Tcherkess . . .	140,516	130,703	18,813	5 (districts)	none	89	1	1	Batalpashinsk (temporarily)	13,173
6. Komi (Ziryanak) . . .	203,331	194,692	8,639	4	95	950	1	2	Ust-Sislinsk	7,130
7. Mariak . . .	370,682	357,018	13,664	3 (cantons)	33	1,620	4	2	Krasnokol'shansk	3,154
8. Tchechensk . . .	288,536	288,536	none	9	none	425	none	none	Town Grozni	—
9. Tshuvash . . .	776,181	756,168	20,013	4	58	1,684	3	3	Chekoksari	7,169

A. EUROPEAN PART (continued)

3 Autonomous republics.	Total population	Rural.	Urban.	Number of uyezds.	Number of volosts	Number of populated places	Number of towns.	Number of settlements of town type.	Capital	Population
1. Bashkir A.S.S.R.	2,572,510	2,380,932	191,578	8 (cantons)	163	3,721	8	9	Ufa	84,272
2. Gorski (Mountain) A.S.S.R.	331,807	255,807	76,000	3 (districts)	9	432	2	3	Vladivostok	69,294
3. Daghستان A.S.S.R.	883,871	822,000	61,871	14 (districts)	67	—	4	1	Makhach-Kali	26,987
4. Karelian A.S.S.R.	218,769	173,887	44,882	7	60	1,840	5	10	Petrozavodsk	22,112
5. Crimean A.S.S.R.	594,186	337,073	257,113	14 (rayons)	—	1,807	15	6	Simferopol	70,630
6. German Volga	502,099	436,395	65,704	none	14 (cantons)	330	5	none	Pokrovsk	30,006
7. Tatar A.S.S.R.	2,503,503	2,249,372	254,131	13 (cantons)	223	3,513	—	—	Kazan	158,203





## B. ASIATIC PART

### 1. Siberia

Governments.	Total population.	Rural.	Urban.	Number of uyezds.	Number of volosts.	Number of populated places (villages).	Number of towns.	Number of settlements of town type.	Capital.
Altai . . . . .	1,595,966	1,452,728	143,238	3	128	1,591	4	3	Barnaul
Yemsel . . . . .	1,175,241	1,052,164	123,077	6	150	3,035	5	8	Krasnoyarsk
Irkutsk . . . . .	722,608	660,853	161,755	9	89	2,188	7	17	Irkutsk
Novo-Nikolaiev . . . . .	1,308,573	1,182,411	126,162	5	85	1,688	8	—	Novo-Nikolaiev
Omsk . . . . .	1,701,852	1,512,847	189,005	6	270	3,968	7	2	Omsk
Tomsk . . . . .	1,002,188	833,898	168,290	5	144	3,056	7	11	Tomsk
Tumen . . . . .	1,106,845	1,013,018	93,827	7	203	3,220	7	6	Tumen
Chiratsk autonomous region	77,529	77,529	none	—	23	582	none	none	Uliala (village)

### 2. Far Eastern Region

Governments.	Total population.	Rural.	Urban.	Number of uyezds.	Number of volosts.	Number of populated places (villages).	Number of towns.	Number of settlements of town type.	Capital.
Amur . . . . .	369,275	272,297	96,978	4	52	640	3	14	Blagoveshensk
Zabaikal . . . . .	750,359	652,063	98,326	7	123	—	6	12	Chita
Kamchatka . . . . .	41,600	38,200	3,400	6	—	—	—	—	Petropavlovsk
Preemorsk . . . . .	620,060	432,900	187,160	8	67	—	5	7	Vladivostok

### III. THE UKRANIAN S.F.R.

Volinsk . . .	1,653,461	1,364,144	289,317	3 (districts)	39 (ray- ons)	—	8	65	Tifonur
Donetz . . .	3,433,766	2,718,906	704,860	7 (districts)	78 (ray- ons)	—	18	65	Bahmoot
Elkaterinoslav .	3,457,222	3,002,617	454,605	7 (districts)	4 (ray- ons)	—	87	21	Yakaterinoslav
Kiev . . .	4,211,409	3,019,807	1,191,602	7 (districts)	111 (rayons)	—	16	109	Kiev
Odessa . . .	3,285,273	2,431,554	853,719	6 (districts)	74 (ray- ons)	—	25	32	Odessa
Podolia . . .	2,990,269	2,592,565	397,704	6 (districts)	93 (ray- ons)	—	20	86	Vannitsa
Poltava . . .	3,419,477	2,975,633	443,844	7 (districts)	89 (ray- ons)	—	17	13	Poltava
Kharkov . . .	2,836,695	2,295,440	541,255	5 (districts)	74 (ray- ons)	—	14	17	Kharkov
Y. Tchernigov . .	1,891,390	1,631,944	259,446	5 (districts)	58 (ray- ons)	—	15	14	Chernigov

### IV. THE WHITE RUSSIAN S.S.R.

1,730,846	1,455,876	274,970	6	116	9,437	7	43	Minsk
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## II. THE TRANSCAUCASIAN S.F.S.R.

### 1. *Azerbaijan S.S.R.*

Gubernias,	Total Population	Rural.	Urban	Number of vysels	Number of volosts	Number of populated places (village type).	Number of Towns.	Number of settle- ments of town type.	Capital,
—	2,125,152	1,643,042	482,110	17	83	—	39	—	Baku

### 2. *The Armenian S.S.R.*

—	1,400,000	1,253,000	147,600	10	42	979	20	—	Yriuan
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### 3. *The Georgian S.S.R.*

—	1,792,000	1,393,000	399,000	17	437	—	22	—	Tiflis
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#### (a) *Abkhazia A.S.S.R. (Georgian S.S.R.)*

—	174,126	156,700	17,425	5	17	250	5	—	Sukhum-Kale
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#### (b) *Ajaria A.S.S.R. (Georgian S.S.R.)*

—	113,110	92,100	61,010	5	16	—	5	—	Batumi
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#### (c) *Yugo-Osetie Autonomous Region (Georgian S.S.R.)*

—	—	—	—	—	14	—	1	—	Zhukhvali
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## Appendix III

### THE LIST OF TOWNS, WHERE THERE ARE GOODS EXCHANGES

- |                               |                     |                           |
|-------------------------------|---------------------|---------------------------|
| 1. Armavir.                   | 35. Krasnodar.      | 70. Stavropol.            |
| 2. Archangel.                 | 36. Krasnoyarsk.    | 71. Suhum.                |
| 3. Astrakhan.                 | 37. Kurgan.         | 72. Sizkran.              |
| 4. Baku.                      | 38. Kursk.          | 73. Tambov.               |
| 5. Barnaul.                   | 39. Kustanaik.      | 74. Tashkent.             |
| 6. Batum.                     | 40. Morshansk.      | 75. Tiflis.               |
| 7. Blagovyeshensk.            | 41. Mahatch-kali.   | 76. Tver.                 |
| 8. Borisoglebsk.              | 42. Minsk.          | 77. Tomsk.                |
| 9. Bryansk.                   | 43. Moscow.         | 78. Tula.                 |
| 10. Vinnitsa.                 | 44. Nijni-Novgorod. | 79. Tumen.                |
| 11. Vitebsk.                  | 45. Nikolaev.       | 80. Ufa.                  |
| 12. Vladicaucus.              | 46. Novo-Nikalaiev  | 81. Theodosia.            |
| 13. Vladivostock.             | 47. Novorossisk.    | 82. Kharbin.              |
| 14. Vologda.                  | 48. Odessa.         | 83. Kharkov.              |
| 15. Voronej.                  | 49. Omsk.           | 84. Tsaritsyn.            |
| 16. Vyatka.                   | 50. Orel.           | 85. Tcheliabinsk.         |
| 17. Veliki Ustug.             | 51. Orenburg.       | 86. Chita.                |
| 18. Gomel.                    | 52. Penza.          | 87. Erivan.               |
| 19. Ekaterinburg.             | 53. Perm.           | 88. Yaroslav.             |
| 20. Ekaterinoslav.            | 54. Leningrad.      | 89. Old Bokhara.          |
| 21. Yelabuga.                 | 55. Petropavlovsk.  | 90. Poltoratsk.           |
| 22. Yelets.                   | 56. Poltava.        | 91. Pokrovsk on<br>Volga. |
| 23. Yelisavetgrad.            | 57. Petrozavodsk.   | 92. Balashov.             |
| 24. Jitomir.                  | 58. Proskurov.      | 93. Nejin.                |
| 25. Zaporojie.                | 59. Pskov.          | 94. Semipalatinsk.        |
| 26. Ivanovo-Vozne-<br>senssk. | 60. Piatigorsk.     | 95. Biisk.                |
| 27. Irkutsk.                  | 61. Rostov-on-Don.  | 96. Berkhneudinsk.        |
| 28. Kazan.                    | 62. Rybinsk.        | 97. New Oskol.            |
| 29. Kaluga.                   | 63. Romni.          | 98. Ryazan.               |
| 30. Kiev.                     | 64. Samara.         | 99. Ust-Sisolsk.          |
| 31. Kirsanov.                 | 65. Samarkand.      | 100. Kherson.             |
| 32. Kozlov.                   | 66. Saratov.        | 101. Chistopol.           |
| 33. Kokand.                   | 67. Simbirsk.       |                           |
| 34. Kostroma.                 | 68. Semferopol.     |                           |
|                               | 69. Smolensk.       |                           |

## Appendix IV

### STATISTICS OF POPULATION IN 1913 OF THAT PART OF THE RUSSIAN EMPIRE NOW WITHIN THE BORDERS OF THE SOVIET UNION

(*Russian Year Book*, 1916, Eyre & Spottiswoode.)

#### POPULATION OF THE RUSSIAN EMPIRE ON JANUARY 1, 1913

Governments.	Population of districts and governments.	Population of towns.	Total population.			Inhabitants per square verst.	Rural inhabitants per square verst.
			Male.	Female.	Total.		
1. Archangel . . .	417,800	55,700	228,200	245,300	473,500	0.6	0.6
2. Astrakhan . . .	1,110,700	186,600	662,700	634,600	1,297,300	6.3	5.4
3. Crimea . . .	1,559,300	447,200	1,035,900	970,600	2,006,500	37.8	29.4
4. Don Territory . . .	3,383,000	402,000	1,909,000	1,876,000	3,785,000	26.1	23.4
5. Ekaterinoslav . . .	2,883,600	406,500	1,679,700	1,610,400	3,290,100	59.1	51.8
6. Kaluga . . .	1,332,700	112,500	663,500	781,700	1,445,200	53.2	49.1
7. Kazan . . .	2,555,600	277,600	1,406,700	1,426,500	2,833,200	50.6	45.7
8. Kherson . . .	2,592,800	1,017,500	1,836,600	1,773,700	3,610,300	58.0	41.7
9. Kiev . . .	3,919,100	744,500	2,331,800	2,331,800	4,663,600	104.1	87.5
10. Kursk . . .	2,914,600	276,100	1,588,400	1,602,300	3,190,700	78.2	71.4
11. Kostroma . . .	1,660,600	109,100	820,200	949,500	1,769,700	23.9	22.5
12. Minsk . . .	2,691,000	288,400	1,496,000	1,483,400	2,979,400	37.2	33.6
13. Moghilev . . .	2,162,500	188,200	1,168,200	1,182,500	2,350,700	55.8	51.3
14. Moscow . . .	1,671,600	1,681,800	1,686,900	1,666,500	3,353,400	114.7	57.2
15. Nijni-Novgorod . . .	1,874,500	178,200	987,000	1,065,700	2,052,700	45.6	41.6

## POPULATION OF THE RUSSIAN EMPIRE ON JANUARY 1, 1913 (continued)

governments.	Population of districts and governments.	Population of towns.	Total population.		Inhabitants per square versus.	Rural inhabitants per square versus.
			Male.	Female.		
nygorod	1,556,800	96,600	795,500	857,900	1,653,400	14.9
onetz . . .	425,100	35,000	220,500	239,600	460,100	3.8
a . . .	2,874,400	156,800	1,514,500	1,516,700	3,031,200	26.8
el . . .	2,407,800	311,300	1,337,600	1,381,500	2,719,100	58.6
enburi	1,887,300	260,300	1,084,300	1,063,300	2,147,600	11.3
nza . . .	1,703,200	174,100	906,700	970,600	1,877,300	49.9
nn . . .	3,700,700	212,000	1,915,100	1,997,600	3,912,700	12.8
trograd	799,800	2,279,300	1,548,900	1,530,200	3,079,100	20.4
doba . . .	3,645,400	308,900	1,981,800	1,973,500	3,955,300	99.3
lava . . .	3,352,800	363,500	1,858,600	1,857,800	3,716,400	76.5
kov . . .	1,317,800	88,700	682,000	724,500	1,406,500	34.7
azan . . .	2,499,100	195,700	1,310,900	1,383,900	2,694,800	68.8
nara . . .	3,514,500	195,600	1,838,100	1,872,000	3,710,100	26.5
atov . . .	2,720,900	464,500	1,568,600	1,616,800	3,185,400	36.6
nbursk . . .	1,886,800	143,200	987,600	1,042,400	2,030,000	43.4
olensk . . .	1,902,100	215,600	1,031,400	1,086,300	2,117,700	38.7
mbov . . .	3,205,100	297,600	1,726,000	1,776,700	3,502,700	54.8
bernigov . . .	2,787,700	321,100	1,542,600	1,566,200	3,108,800	60.5
la . . .	1,639,400	219,200	886,000	972,500	1,858,600	60.3
er . . .	2,177,200	173,900	1,102,400	1,248,700	2,351,100	38.3
atka . . .	3,806,400	122,400	1,874,900	2,053,900	3,928,800	28.2
ebak . . .	1,611,800	283,900	949,300	946,400	1,895,700	49.0
dimir	1,729,200	237,300	931,900	1,034,600	1,966,500	45.9
lynia . . .	3,777,200	293,300	2,049,800	2,020,700	4,070,500	59.9





POPULATION OF THE RUSSIAN EMPIRE ON JANUARY 1, 1913 (*continued*)

## SIBERIA.

Governments.	Population of districts and governments.	Population of towns.	Total population.		Inhabitants per square versa.	Rural inhabitants per square versa.
			Male.	Female.		
Amur	172,200	68,900	133,100	108,000	0.7	0.5
Asiatic Russia	839,900	142,600	502,000	480,500	0.4	0.4
Baikal	621,400	112,200	377,600	356,000	1.2	1.0
Chukotka	36,600	2,800	20,500	18,900	0.03	0.03
Eastern Siberia	405,400	198,600	366,200	237,800	1.0	0.7
Far Eastern	12,800	1,500	9,500	4,800	0.4	0.4
Irkutsk	1,857,200	148,300	999,700	1,005,800	1.6	1.5
Khabarovsk	3,596,500	323,200	1,979,300	1,940,500	5.3	4.9
Krasnoyarsk	312,900	14,800	167,000	160,700	0.09	0.09
Magadan	780,100	140,400	480,400	440,100	1.7	1.4
for Siberia	8,635,000	1,153,400	5,035,300	4,753,100	0.9	0.8

# APPENDIX IV

459

## CENTRAL ASIA.

molinsk . . .	1,287,300	204,600	778,100	713,800	1,491,900	2.9	2.5
orghana . . .	1,697,600	418,400	1,127,700	988,300	2,116,000	17.6	13.4
markand . . .	987,600	206,400	654,700	539,300	1,194,000	19.7	16.3
mpalatinsk . . .	792,000	70,000	462,300	399,700	862,000	2.1	2.0
mirietchinsk . . .	1,133,100	123,800	679,200	577,700	1,256,900	3.8	3.4
yr-Darya . . .	1,636,000	353,800	1,075,000	914,800	1,989,800	4.5	3.7
urgeni . . .	644,700	44,800	360,800	328,700	689,500	1.8	1.7
iral . . .	769,400	80,400	442,600	407,200	849,800	2.7	2.5
acaspien . . .	433,500	74,000	276,000	231,500	507,500	0.9	0.8
Total for Central Asia	9,381,200	1,576,200	5,856,400	5,101,000	10,957,400	3.5	3.0

# Appendix V

## TOWN POPULATION OF SOVIET UNION DIVIDED BY OCCUPATION (1924)

Chief occupation.	Gubernia towns.	Other towns.	Settlements of town type.	Total S.S.S.R.	Men.	Women.
<i>A. General workers</i> . . . . .	1,056,163	674,001	471,599	2,201,763	1,638,896	562,867
1. Agricultural . . . . .	11,000	16,234	10,154	37,388	30,744	6,644
2. Mining . . . . .	1,980	5,969	49,647	57,596	52,106	5,490
3. Mechanics, plumbers, blacksmiths, metal smelters, etc. .	192,652	96,837	67,333	356,822	347,349	9,473
4. Wood workers . . . . .	36,221	17,795	12,209	66,225	63,646	2,679
5. Paper workers . . . . .	4,760	1,070	1,626	7,456	3,184	4,272
6. Printers . . . . .	34,829	6,498	1,029	42,356	33,936	8,420
7. Textile . . . . .	54,637	63,722	58,996	177,355	41,363	135,992
8. Tailors, milliners, cap and hat makers, hosiers, etc. . . . .	41,615	12,022	4,657	58,294	18,901	39,393
9. Leather workers . . . . .	38,580	22,408	8,819	69,807	64,848	4,959
10. Millers, confectioners, bakers, etc. . . . .	47,641	21,010	6,559	75,210	59,976	15,234
11. Soap makers and allied occupations . . . . .	15,400	3,411	2,029	20,840	11,938	8,902
12. Glass, porcelain, brick makers, etc. . . . .	2,149	4,063	1,0463	16,675	11,627	5,048
13. Builders . . . . .	46,950	29,180	23,245	99,375	98,871	504
14. Railway transport workers . .	65,982	38,690	28,634	133,306	126,262	7,044

# APPENDIX V

461

15. Tramway workers . . . . .	12,884	44	48	13,076	6,851	6,225
16. Water transport workers . . . . .	15,507		3,389	27,706	27,338	368
17. Chauffeurs, cab drivers, porters, etc. . . . .	94,744	36,697	23,877	155,318	144,991	10,327
18. Engineers, stokers, etc. . . . .	25,381	19,305	17,457	62,143	60,775	1,368
19. Other general workers . . . . .	313,251	270,136	41,428	724,815	434,290	290,525
B. <i>Servants</i> . . . . .	220,424		32,435	336,371	116,505	219,866
20. Outside domestic servants, insti- tution and restaurant em- ployees . . . . .	156,992	54,223	20,653	231,868	106,205	125,663
21. Bath attendants, hairdressers, laundry workers, etc. . . . .	20,231	9,116	2,930	32,277	9,618	22,659
22. Personal domestic servants . . . . .	43,201	20,173	8,852	72,226	682	71,544
C. <i>Employees</i> . . . . .	050,946	553,818	96,440	1,801,204	1,287,715	513,489
23. Civil servants . . . . .	85,816	45,443	11,646	142,905	134,827	8,078
24. Technical experts . . . . .	77,479	38,102	24,451	140,032	128,390	11,642
25. Managers, assistants in shops, agents, etc. . . . .	137,993	58,769	20,613	217,375	192,742	24,633
26. Cashiers, book-keepers, account- ants, censors, etc. . . . .	167,869	70,003	21,922	259,794	200,659	59,135
27. Directors, secretaries, typists, clerks, journalists, etc. . . . .	200,768	109,571	36,019	346,358	195,670	150,688
28. Medical and allied services . . . . .	85,704	38,749	12,004	136,457	52,554	83,903
29. Professors, lecturers, teachers, etc. . . . .	113,847	65,025	18,883	197,755	89,262	108,493
30. Police, fire brigade, etc. . . . .	120,124	79,682	33,039	232,845	203,952	28,893
31. Post, telegraph, telephone work- ers . . . . .	31,972	19,338	8,158	59,468	34,916	24,552

TOWN POPULATION OF SOVIET UNION DIVIDED BY OCCUPATION (1924) (continued)

Chief occupation.	Gubernia towns.	Other towns.	Settlements of town type.	Total S.S.S.R.	Men.	Women.
32. Other employees . . . . .	29,374	29,046	9,705	68,125	54,743	13,382
D. <i>Professional workers (private)</i> .	44,630	24,876	7,004	76,510	45,825	30,685
33. Engineers, architects, medical, teachers, etc. . . . .	28,303	7,380	2,857	38,540	17,021	21,519
34. Artists, lawyers, writers, musicians, etc. . . . .	6,675	3,555	890	11,120	8,406	2,714
35. Clergy, monks and other church servants . . . . .	9,652	13,941	3,257	26,350	20,398	6,452
E. <i>Owners</i> . . . . .	446,666	620,506	333,502	1,400,674	1,142,286	258,388
36. Owners who use hired labour .	16,744	11,996	5,226	33,966	29,553	4,413
(a) Gardeners and kitchen gardeners . . . . .	279	525	97	901	696	205
(b) Other agricultural owners . .	1,213	3,414	1,778	6,405	4,630	1,775
(c) Manufacturers . . . . .	540	327	117	984	955	29
(d) Locksmiths, solderers, white-smiths, etc. . . . .	340	153	52	545	518	27
(e) Blacksmiths . . . . .	337	389	180	906	892	14
(f) Carpenters, turners and bushel-makers . . . . .	193	96	50	339	327	12
(g) Weavers . . . . .	201	73	31	305	270	35
(h) Tailors . . . . .	558	439	175	1,172	855	317
(i) Milliners, cap makers and hosiers	191	111	38	340	173	167

# APPENDIX V

463

(j) Boot and shoe makers . . .	1,052	936	404	2,392	2,345	47
(k) Leather and saddle makers . .	354	449	243	1,029	1,029	17
(l) Millers . . . . .	280	837	561	1,678	1,606	72
(m) Bakers and confectioners . . .	1,306	624	109	2,039	1,884	155
(n) Owners of sausage and preserves (conserves) establishments . . . . .						
(o) Hairdressers . . . . .	334	121	18	473	443	30
(p) Laundry . . . . .	451	217	40	708	613	95
(q) Clock makers and jewellers . . .	100	7	3	110	49	61
(r) Owners of other trade and kustar establishments . . . . .	126	37	17	180	170	10
(s) Contractors for building . . . .	799	284	93	1,176	1,050	126
(t) Cab owners . . . . .	379	181	162	722	715	7
(u) Innkeepers . . . . .	1,486	137	39	1,662	1,529	133
(v) Owners of retail trade establishments . . . . .	1,179	520	89	1,785	1,438	257
(w) Owners of other trade establishments . . . . .	2,098	709	299	3,106	2,846	260
(x) Other owners who use hired labour . . . . .	1,608	698	206	2,512	2,285	227
37 and 38. Owners who don't use hired labour . . . . .	1,343	712	425	2,480	2,245	235
(a) Gardeners and kitchen gardeners . . . . .	429,922	608,510	328,276	1,366,708	1,112,733	283,975
(b) Hunters and fishermen . . . . .	4,159	5,047	1,253	10,459	7,366	3,093
(c) Other agricultural owners . . . .	968	4,078	1,419	6,465	6,250	215
(d) Locksmiths, solderers, whit-smiths, etc. . . . .	77,371	315,678	224,525	617,574	514,725	102,849
(e) Mechanics . . . . .	7,427	7,042	2,432	16,901	16,737	164
	447	208	34	689	684	5

## TOWN POPULATION OF SOVIET UNION DIVIDED BY OCCUPATION (1924) (continued)

Chief occupation.	Gubernia towns.	Other towns.	Settlements of town type.	Total S.S.R.	Men.	Women.
(f) Montgirs . . . . .	613	90	25	728	726	2
(g) Blacksmiths and other metal workers . . . . .	4,301	9,008	4,814	18,123	17,906	217
(h) Carpenters and turners . . . . .	4,584	6,425	2,973	13,982	13,957	25
(i) Bushel-makers and other wood workers . . . . .	2,192	3,932	2,043	8,167	8,062	105
(j) Weavers . . . . .	438	1,688	133	2,259	1,964	295
(k) Tailors . . . . .	35,299	22,786	10,081	68,166	43,359	24,807
(l) Millners, etc. . . . .	6,709	6,297	2,567	15,570	8,256	7,314
(m) Stocking-knitters, lace makers, etc. . . . .	3,143	2,315	884	6,342	486	5,856
(n) Dress and underwear makers . . . . .	9,648	3,930	1,923	15,501	1,095	14,406
(o) Boot and shoe makers . . . . .	43,842	49,914	17,222	110,978	109,791	1,187
(p) Bakers and confectioners . . . . .	2,644	1,590	286	4,520	4,103	417
(q) Sausage and preserve (conserve) makers . . . . .	357	245	58	660	623	37
(r) Hairdressers . . . . .	4,183	3,720	1,114	9,017	8,617	400
(s) Laundry . . . . .	8,260	1,700	354	10,314	512	9,802
(t) Clock makers and jewellers . . . . .	4,864	2,897	1,035	8,796	8,625	171
(u) House painters and plasterers . . . . .	2,996	1,562	256	4,814	4,796	18
(v) Carpenters . . . . .	3,375	5,143	2,186	10,704	10,691	13
(w) Stove makers . . . . .	2,020	2,022	552	4,594	4,587	7
(x) Glass makers . . . . .	1,130	906	621	2,657	2,639	18
(y) Wall paper plasterers and drapers . . . . .	552	137	22	711	701	10

# APPENDIX V

465

(2) Other artisans and kusters . . . . .	18,514	23,428	6,601	48,543	41,821	6,722
(a) Cab drivers . . . . .	32,731	10,447	3,778	46,956	46,574	382
(b) Innkeepers . . . . .	932	657	167	1,756	1,356	400
(c) Traders, except hawkers . . . . .	102,829	90,957	28,515	222,301	163,791	58,510
(d) Hawkers . . . . .	20,132	5,244	1,745	27,121	18,057	9,064
(e) Gold searchers . . . . .	20	272	625	917	886	31
(f) Other owners not using hired labour . . . . .	23,245	19,145	8,033	50,423	42,990	7,433
F. <i>Members of family which help</i> . . . . .	89,962	380,809	298,843	769,614	298,730	470,884
39. Which help in agriculture . . . . .	63,500	343,915	278,680	686,095	242,952	443,143
40. Which help in industry . . . . .	12,125	21,032	10,333	43,490	34,134	9,356
41. Which help in trade . . . . .	14,337	15,862	9,830	40,029	21,644	18,385
G. <i>Other occupations</i> . . . . .	910,323	471,792	98,306	1,380,421	843,741	536,680
42. Rentiers and owners of houses let on lease . . . . .	38,239	48,753	14,487	101,479	34,745	66,734
43. Beggars and other non-classified groups . . . . .	15,069	15,435	5,731	36,235	11,170	25,065
44. Those living in Government or Social Institutions, such as poor children, invalids, patients, prisoners, pensioners . . . . .	461,048	224,254	39,995	725,297	427,727	297,570
45. Means of existence not stated . . . . .	107,228	97,927	27,310	232,465	87,663	144,802
46. Other self-dependent, except the unemployed . . . . .	188,739	85,423	10,783	284,945	282,436	2,509
47. Unemployed . . . . .	542,528	272,799	59,897	875,224	476,823	398,401
Total . . . . .	4,261,642	3,082,023	1,498,026	8,841,691	5,850,521	2,991,170



# Appendix VI

## PEASANTS' BUDGETS (1913 & 1922-23)

### AVERAGE TURNOVER PER PEASANT HOUSEHOLD (in gold roubles)

Pre-war figures taken from Consuming Provinces—Vologda, Moscow, Novgorod and Smolensk. Productive—Penza, Simbirsk, Tambov, 1922-23. Consuming—Vologda, Vladimir, Kaluga, Novgorod, Tver, Tcherepovets. Productive—Astrakhan, Voronej, German Commune, Penza, Samara, Tambov, Tsaritsyn.

Rayons and Years	Number of households (selected on a 10% basis considered.	Area sown in desiatines.	Size of family.	Gross income		Amount compulsorily requisitioned by Government.	Voluntary turnover of sales and purchase of agricultural products.				Purchasing power of peasant households	
				Total.	Product of agriculture.		Gross sale.		Purchase of agricultural products.			Net voluntary sale.
							Total.	Cattle.	Total.	Cattle.		
Consuming rayons, pre-war . . . .	389	3.4	5.9	653.7	435.2	—	114.2	21.8	88.0	9.4	25.5	25.5
Consuming rayons, 1922-23 . . . .	355	2.9	6.1	572.4	524.2	32.5	82.1	15.5	51.8	8.2	10.3	42.8
Productive rayons, pre-war . . . .	571	8.1	7.7	926.6	802.1	—	235.9	65.9	60.8	22.8	175.1	175.1
Productive rayons, 1922-23 . . . .	400	5.1	7.1	532.9	477.4	39.5	72.8	16.9	56.8	17.1	16.0	55.5

**MARKET TURNOVER OF PEASANT HOUSEHOLDS IN 1922-23 ACCORD-  
ING TO RAYONS (in gold roubles)**

Average for one household.

	Sales.	Purchases.
Northern . . . . .	36·9	35·2
Near Lake (Ladoga) . . . . .	76·3	70·1
Near Ural . . . . .	58·8	47·1
Central Industrial . . . . .	69·5	65·8
North-Western . . . . .	102·3	79·1
Central Agricultural . . . . .	98·0	84·0
Volga . . . . .	76·2	45·1
South-East . . . . .	129·6	91·0
Crimea . . . . .	206·3	102·1
Siberia . . . . .	72·5	42·9
Ukraine (right bank) . . . . .	136·5	73·5
Ukraine (left bank) . . . . .	11·3	70·4
Southern Steppe. . . . .	102·0	53·5
 Total . . . . .	 98·3	 58·4

**NUMBER OF WORKERS IN KOUSTAR AND SMALL INDUSTRY**  
(In 1,000's).

	1912-13.	1920.
Mining and working of ores . . . . .	125·4	16·3
Metal manufactures. . . . .	345·9	118·1
Wood manufactures . . . . .	843·1	228·7
Foodstuffs . . . . .	450·0	375·0
Leather and other animal products . . . . .	517·8	215·25
Industrial plants . . . . .	1,401·0	568·85
Others . . . . .	23·2	56·3
 Total . . . . .	 3,706·4	 1,578·5

DEMAND FOR PRODUCTS OF INDUSTRY IN 1922-23 ACCORDING TO  
RAYONS (in gold roubles)

Figures give average per peasant household.

	Total.	Agricultural machines and imple- ments.	Manu- factures.	Sugar	Kerosene
Northern . . . . .	21.5	0.6	2.3	0.5	1.0
Near Lake (Ladoga) .	28.1	1.6	2.3	0.9	1.6
Near Ural . . . . .	21.3	1.9	1.0	0.2	1.2
Central Industrial .	44.2	0.5	6.1	1.0	1.9
North-Western . .	44.2	2.8	3.4	1.0	2.5
Central Agricultural .	39.4	3.0	2.9	1.1	1.6
Volga . . . . .	24.9	1.3	2.6	0.1	1.3
South-East . . . .	32.7	0.8	3.7	0.2	2.5
Crimea . . . . .	38.4	0.9	2.6	0.8	1.9
Siberia . . . . .	21.7	3.0	1.9	0.05	0.7
Ukraine (right bank)	37.5	0.6	3.8	4.3	1.1
Ukraine (left bank) .	27.5	0.1	0.9	0.6	1.1
Southern Steppe . .	25.9	3.9	2.1	0.3	1.2
Total . . . . .	31.3	1.7	2.8	.85	1.5

## Appendix VII

### LOCAL EXPENSES OF EDUCATION (ORIENTATION BUDGET) IN 1923-4 IN 68 GUBERNIAS AND REGIONS

Rayons.	In 1,000 Tchervonetz Roubles.	Per cent. of total of estimate.
Northern . . . . .	3074.5	24.0
Near Lake region (Ladoga) . . .	18471.7	22.7
Western . . . . .	5776.7	27.6
Central Industrial . . . . .	41070.4	23.2
Central Agricultural . . . . .	12435.6	28.0
Volga-Kama . . . . .	9375.8	34.0
Middle Volga . . . . .	10671.4	27.6
Lower Volga . . . . .	4267.6	28.8
Ural . . . . .	9508.4	32.7
South-Eastern . . . . .	14846.0	22.8
Siberia (without Far Eastern Repub- lic and Oirat region) . . . . .	8074.3	23.3
Crimea, Kirghiz and Turkestan .	11052.1	24.0
<b>Total of 68 Gubernias and Regions without Far Eastern Republic and Oirat region . . . . .</b>	<b>148624.4</b>	<b>24.5</b>

### PEOPLE'S ECONOMY OF U.S.S.R. IN FIGURES

Central Statistical Bureau, Moscow, 1924.

#### LOCAL BUDGETS FOR EDUCATION IN 1913

Schools.	Govern- ment.	Towns and Zemstros.	Payments for pupils.	Other income and Donations	Total
	Per cent.	Per cent.	Per cent.	Per cent.	
Universities . . . . .	61.4	0.1	17.7	20.8	100
Secondary, Technical and Trade Schools . . . . .	61.5	13.1	8.1	17.3	100
General Secondary . . . . .	37.9	8.4	47.6	6.1	100
Elementary . . . . .	46.6	39.3	1.8	12.3	100
<b>Total . . . . .</b>	<b>45.7</b>	<b>26.3</b>	<b>16.7</b>	<b>11.3</b>	<b>100</b>

# INSTITUTIONS OF UNIVERSITY STANDING IN THE SOVIET UNION ON APRIL 1, 1923

R.S.F.S.R.

470

R.S.F.S.R. (*continued*)

IX. <i>Crimea</i> :		
Simferopol	.	2
X. <i>Caucasus</i> :		
Krasnodar (Kuban-Black Sea province)	.	4
Stavropol	.	1
XI. <i>Turkestan Autonomous S.S.R.</i> :		
Tashkend	.	1
XII. <i>Siberia</i> :		
Irkutsk	.	1
Omsk	.	3
Tomsk	.	2
Chita (Far-Eastern Province)	.	1
Vladivostock (Far Eastern Province)	.	1
Total in R.S.F.S.R.		<u>95</u>

## WHITE RUSSIA S.S.R.

Minsk	.	2
Total in White Russia S.S.S.R.		<u>2</u>

## UKRAINE S.S.R.

Kharkov	.	9
Ekaterinoslav.	.	3
Kiev	.	9
Tchernigov	.	1
Glukhov	.	1
Nejin	.	1
Jitomir	.	
Kamenets-Podolsk	.	
Vinnitsa	.	
Odessa	.	
Nikolaev	.	
Kherson.	.	
Poltava	.	

Total in Ukraine . . . . .

## TRANSCAUCASIA S.F.S.R.

Tiflis	.	
Baku	.	

Total in Transcaucasia . . . . .

Total in S.S.S.R. . . . .



Appendix IX

THE LIST OF  
ELEMENTARY AND SECONDARY  
EDUCATIONAL INSTITUTIONS

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Statistics refer to  
1st of April, 1923

*(People's Education in R.S.F.S.R.,*  
Edited by K. A. KANOVALOVA,  
Moscow, 1923)

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This table includes data from institutions of all gubernias and autonomous provinces of European Part of R.S.F.S.R., except Tchetchen autonomous province, and some institutions of Astrakhan, Vitebsk and Samara, which did not give information on April 1, 1923. As regards Siberia there is no information from Altai gubernia, and three districts (uyezds) of Irkutsk gubernia.



No.	Gubernias and Provinces	Schools of 1st section (8-12 years)			Schools of 2nd section (12-15 years)			Schools (8-15).		
		Number of schools	Number of teachers and adm. staff	Number of children	Number of schools	Number of teachers and adm. staff	Number of children	Number of schools	Number of teachers and adm. staff	Number of children
1	Archangel . . .	402	607	24,512	14	133	3,032	—	—	—
2	Astrakhan . . .	195	491 <sup>1/2</sup>	16,442	5	87	1,505	6	66	1,650
3	Bryansk . . .	582	797	32,934	6	84	2,046	9	72	2,063
4	Vitebsk . . .	1,561	2,389	70,224	55	400	9,540	5	27	533
5	Vladimir . . .	1,446	2,814	104,981	37	403	7,962	2	18	821
6	Vologda . . .	589	958	28,826	32	283	3,719	21	179	3,867
7	Voronej . . .	1,828	2,960	113,169	39	341	7,662	4	31	582
8	Vyatka . . .	868	2,012	72,885	41	374	8,579	5	49	1,104
9	Gomel . . .	2,054	3,034	136,321	51	606	14,405	23	160	4,992
10	Don . . .	933	1,643	60,080	30	369	7,141	1	12	461
11	Ivanovo-Voznesensk	785	2,048	63,938	20	287	5,302	8	144	3,154
12	Kaluga . . .	1,262	2,146	65,558	25	263	5,226	28	171	4,554
13	Kostroma . . .	711	1,300	37,076	9	116	2,593	13	142	3,353
14	Kuban-Black Sea Province . . .	1,159	3,233	111,417	9	820	14,739	18	154	3,038
15	Ekaterinburg . . .	1,097	2,569	83,689	38	351	6,174	8	30	1,139
16	Kursk . . .	2,183	3,392	146,343	51	590	13,381	1	9	270
17	Moscow gub (without Moscow) . . .	2,310	5,222	184,215	74	817	12,543	15	221	7,442
	Moscow (town) . . .	181	1,922	50,839	16	278	4,361	33	693	16,272
18	Murmansk . . .	10	32	752	—	—	—	—	—	—
19	Nijn Novgorod . . .	2,032	3,087	147,503	70	711	13,313	11	82	2,269
20	Novgorod . . .	918	1,389	37,451	21	227	3,854	5	24	569
21	Orel . . .	1,322	2,130	70,119	22	182	3,047	10	168	3,108
22	Penza . . .	1,042	1,959	79,029	38	417	8,435	5	43	1,229
23	Perm . . .	1,072	2,149	69,885	22	228	4,270	26	199	4,166
24	Leningrad (without Leningrad) . . .	1,441	2,539	75,533	50	582	6,327	1	9	159
	Leningrad . . .	233	4,148	76,328	124	2,711	19,974	—	—	—
25	Pskov . . .	878	1,288	38,307	20	216	4,490	—	—	—
26	Ryazan . . .	2,134	3,462	161,636	53	423	7,767	6	60	1,569
27	Samara . . .	1,271	2,615	121,803	21	197	4,575	28	216	8,534
28	Saratov . . .	1,713	3,619	155,149	60	581	11,412	12	136	4,030
29	Severo-Dvensk . . .	334	630	19,720	6	58	927	26	231	5,519
30	Simbirsk . . .	1,001	1,568	64,128	33	302	5,384	5	55	1,207
31	Smolensk . . .	1,882	3,785	108,719	63	515	10,058	38	277	6,071
32	Stavropol . . .	443	704	27,189	9	98	1,275	5	63	1,686
33	Tambov . . .	1,634	3,115	134,021	26	192	4,132	10	111	3,975
34	Tver . . .	1,813	3,341	103,357	65	647	12,564	8	89	1,621
35	Tcherskaya . . .	299	605	17,668	12	112	1,899	—	—	—
36	Tula . . .	1,686	2,898	115,337	37	3,303	6,574	—	—	—
37	Tumen . . .	757	1,027	32,154	8	79	1,635	1	7	124
38	Tsarsitsyn . . .	859	1,420	74,244	27	240	5,766	2	19	550
39	Tcheliabinsk . . .	1,116	1,798	65,994	20	126	2,758	9	84	2516
40	Tcherepovets . . .	758	1,077	31,250	16	139	2,963	—	—	—
41	Yaroslavl . . .	1,190	2,197	70,858	32	342	6,922	43	321	7,457
Total in gub. of Cen- tre . . .		47,997	92,218	3,307,675	1,503	15,656	280,330	460	4,387	111,531

# APPENDIX IX

475

No	Gubernias and Provinces	Schools of 1st section (8-12 years).			Schools of 2nd section (12-15 years)			Schools (8-15)		
		Number of schools	Number of teachers and adm staff.	Number of children.	Number of schools	Number of teachers and adm staff	Number of children	Number of schools	Number of teachers and adm staff	Number of children.
AUT. PROVINCES OF E PART OF R S F S R.										
1	Votskaya . . . . .	409	882	33,981	21	144	2,409	—	—	—
2	Ziryansk (Komi) . . .	184	267	10,174	5	30	679	8	46	1,030
3	Kabarda-Balkar- skaya . . . . .	66	104	3,359	1	11	141	—	—	—
4	Kalmuk . . . . .	83	159	5,903	3	19	172	—	—	—
5	Karachaevo-Toher- kess . . . . .	39	94	2,328	2	14	223	1	8	219
6	Karelian . . . . .	284	456	12,236	11	83	1,050	3	28	487
7	Marisk . . . . .	322	486	16,198	3	30	508	4	29	748
8	German Commune	300	706	41,747	4	40	536	10	93	1,664
9	Tcherkess Adiguosko	81	150	5,668	—	—	—	—	—	—
10	Tochechensk (only town Grozni) . . .	29	176	5,300	2	36	383	—	—	—
11	Tchuvash . . . . .	581	798	38,147	10	72	1,487	12	51	1,054
Total in 11 provinces		2,300	4,278	175,131	62	485	7,588	38	255	5,202
Total in Gub of cen- tre and auton. provinces of east part of R S F S R.		50,357	90,496	3,482,804	1,568	16,141	287,918	498	4,642	116,738
SIBERIA										
1	Altaiakaya . . . . .	No data	No data	No data	No data	No data	No data	No data	No data	No data
2	Yeniseiskaya . . .	714	1,075	32,790	14	191	3,864	9	46	1,448
3	Irkutskaya (without 3 districts) . . . .	421	556	16,814	3	34	826	10	71	1,793
4	Novo-Nikolaiev . .	464	732	36,074	6	63	1,636	14	182	4,378
5	Omsk . . . . .	924	1,097	33,971	—	—	—	29	328	6,376
6	Tomsk . . . . .	717	1,738	34,420	44	442	10,700	1	11	315
7	Buryat-Mongols autonomous pro- vince . . . . .	183	187	6,048	6	28	410	1	4	136
8	Oiratsk autonomous province . . . . .	57	75	1,868	1	4	47	—	—	—
Total in Siberia (with- out Altai and 3 dis- tricts (uyezd) or Irkutskaya) . . .		3,480	5,460	181,985	74	762	17,482	64	622	14,444
Total . . . . .		53,837	101,956	3,644,789	1,639	16,903	305,400	562	5,264	131,177

# SCHOOL EDUCATION

No.	Gubernias and Provinces.	Schools (8-18).			Experimental schools.		
		Number of schools.	Number of teachers.	Number of children.	Number of schools.	Number of teachers.	Number of Children.
1	Archangel . . . . .	—	—	—	—	—	—
2	Astrakhan . . . . .	—	—	—	1	13	1 05
3	Bryansk . . . . .	—	—	—	1	5	2 13
4	Vitebsk . . . . .	3	27	460	2	19	1 22
5	Vladimir . . . . .	—	—	—	5	45	4 24
6	Vologda . . . . .	—	—	—	4	39	6 69
7	Voronej . . . . .	—	—	—	3	19	2 49
8	Vyatka . . . . .	—	—	—	3	27	5 20
9	Gomel . . . . .	12	131	4,884	3	39	3 91
10	Don . . . . .	—	—	—	2	65	1,4 42
11	Ekaterinburg . . . . .	—	—	—	3	49	4 72
12	Ivanovo-Voznesensk . . . . .	—	—	—	1	5	64
13	Kaluga . . . . .	1	7	286	3	20	2 35
14	Kostroma . . . . .	4	66	1,699	2	20	1 63
15	Kuban-Black Sea Province . . . . .	2	27	423	1	5	51
16	Kursk . . . . .	—	—	—	1	3	45
17	Moscow (without town Moscow) . . . . .	—	—	—	1	18	2 25
	Moscow (town) . . . . .	79	2,094	44,148	—	—	—
18	Murmansk . . . . .	—	—	—	—	—	—
19	Nijni-Novgorod . . . . .	—	—	—	6	74	1,59 1
20	Novgorod . . . . .	Counted together with schools of 2nd section)			—	—	—
21	Orel . . . . .	13	202	4,810	2	13	30 5
22	Penza . . . . .	—	—	—	4	38	62 0
23	Perm . . . . .	—	—	—	3	26	39 8
24	Leningrad (without town Leningrad) . . . . .	—	—	—	4	22	25 2
	Leningrad . . . . .	(Included in schools of 1st and 2nd section)			—	—	—
25	Pskov . . . . .	2	26	640	1	20	18 2
26	Ryazan . . . . .	—	—	—	7	77	1,32 2
27	Samara . . . . .	—	—	—	5	87	63 8
28	Saratov . . . . .	—	—	—	3	21	381
29	Severo-Domsk . . . . .	—	—	—	—	—	—
30	Simbirsk . . . . .	—	—	—	5	67	555
31	Smolensk . . . . .	(Included in schools of second section)			2	21	263
32	Stavropol . . . . .	—	—	—	1	8	81
33	Tambov . . . . .	2	20	556	7	59	1,333
34	Tver . . . . .	1	19	427	2	23	197
35	Tcherskaya . . . . .	—	—	—	—	—	—
36	Tula . . . . .	23	336	8,682	3	59	464
37	Tumen . . . . .	—	—	—	3	23	459
38	Tsaritsyn . . . . .	—	—	—	1	7	263
39	Tcheliabinsk . . . . .	—	—	—	—	—	—
40	Tcherepovets . . . . .	—	—	—	—	—	—
41	Yaroslavl . . . . .	2	67	1,031	3	17	488
Total in Gub. of Centr. . . . .		144	3,022	68,046	98	1,045	15,183

## APPENDIX IX

477

No.	Gubernias and provinces.	Schools (8-18).			Experimental schools.		
		Number of schools.	Number of teachers.	Number of children.	Number of schools.	Number of teachers.	Number of children.
	AUT. PROVINCE OF EUR. PART OF R.S.F.S.R.						
1	Votskaya . . . . .	—	—	—	—	—	—
2	Ziryan'sk (Komi) . . . . .	—	—	—	—	—	—
3	Kabarda-Balkarskaya . . . . .	—	—	—	—	—	—
4	Kalmuk . . . . .	—	—	—	1	8	50
5	Karachaevo-Tcherkess . . . . .	—	—	—	1	3	143
6	Karelian . . . . .	—	—	—	—	—	—
7	Marisk . . . . .	—	—	—	3	10	253
8	German Commune . . . . .	—	—	—	—	—	—
9	Tcherkess-Adiguosko . . . . .	—	—	—	—	—	—
10	Tehechensk (only town Grozni) . . . . .	1	29	476	—	—	—
11	Tchuvash . . . . .	—	—	—	2	8	165
	Total in 11 provinces . . . . .	1	29	476	7	26	611
	Total in Gub. of Centre Aut. provin. of Eur. Part of R.S.F.S.R.						
	SIBERIA.						
1	Altai'skaya . . . . .			No data			
2	Yenisei'skaya . . . . .	—	—	—	1	4	95
3	Irkutskaya (without 3 districts) . . . . .	—	—	—	1	9	120
4	Novo-Nikolaev . . . . .	—	—	—	—	—	—
5	Omsk . . . . .	—	—	—	10	32	709
6	Tomsk . . . . .	—	—	—	—	—	—
7	Buryat-Mongol aut. p. . . . .	—	—	—	—	—	—
8	Oiratsk Aut. Province . . . . .	—	—	—	—	—	—
	Total in Siberia (without Altai and 3 districts of Irkutsk) . . . . .	—	—	—	12	45	924
	Total . . . . .	145	3,051	68,552	117	1,116	16,718



# Appendix X

*EXTRACTS*  
*FROM THE BOOK BY*  
G. T. IVANOV

## RUSSIA SHORT COURSE OF GEOGRAPHY OF S. S. S. R.

PUBLISHED BY  
GOVERNMENT EDITORS

M O S C O W

1923

P E T R O G R A D

# DENSITY OF POPULATION IN THE REPUBLICS, REGIONS AND GUBERNIAS OF S.S.S.R. in 1920

*Capital of S.S.S.R. : Moscow.*

## I. R.S.F.S.R.

### A. European Part of R.S.F.S.R.

Gubernias.	Density per 1 sq. kl	Capitals.
1. Archangel. . . . .	1.4	Archangel
2. Astrakhan. . . . .	18	Astrakhan
3. Bryansk . . . . .	36	Bryansk
4. Vitebsk . . . . .	34	Vitebsk
5. Vladimir . . . . .	33	Vladimir
6. Vologda . . . . .	9	Vologda
7. Voronej . . . . .	47	Voronej
8. Vyatka . . . . .	20	Vyatka
9. Gomel . . . . .	38	Gomel
10. Town Grozni (with a right of a gubernia)—(incl. in Gorki repub.) . . . . .		Grozni
11. Don province . . . . .	21	Rostov-on-Don
12. Ekaterinburg . . . . .	12	Ekaterinburg
13. Ivanovo-Voznesensk . . . . .	37	Ivanovo-Voznesensk
14. Kaluga . . . . .	40	Kaluga
15. Kostroma . . . . .	16	Kostroma
16. Kuban-Black Sea . . . . .	31	Krasnodar
17. Kursk . . . . .	58	Kursk
18. Leningrad . . . . .	36	Leningrad
19. Moscow . . . . .	75	Moscow
20. Murmansk . . . . .	0.1	Murmansk
21. Nijni-Novgorod . . . . .	36	Nijni-Novgorod
22. Novgorod . . . . .	18	Novgorod
23. Orel . . . . .	56	Orel
24. Penza . . . . .	45	Penza
25. Perm . . . . .	8	Perm
26. Pskov . . . . .	30	Pskov
27. Ryazan . . . . .	51	Ryazan
28. Samara . . . . .	27	Samara
29. Saratov . . . . .	31	Saratov
30. Severo-Dvinsk . . . . .	6	Veliki-Ustug
31. Simbirsk . . . . .	39	Simbirsk
32. Smolensk . . . . .	35	Smolensk

A. European Part of R.S.F.S.R. (*continued*)

Gubernias.	Density per 1 sq. kl.	Capitals.
33. Stavropol . . . . .	23	Stavropol
34. Tambov . . . . .	51	Tambov
35. Tver . . . . .	33	Tver
36. Tserkaya . . . . .	11	Piatigorsk
37. Tula . . . . .	56	Tula
38. Tsaritsyn . . . . .	12	Tsaritsyn
39. Tcheliabinsk . . . . .	12	Tcheliabinsk
40. Tcherepovets . . . . .	10	Tcherepovets
41. Yaroslav . . . . .	41	Yaroslav
42. Rybinsk . . . . .	26	Rybinsk

Autonomous Regions.	Density per 1 sq. kl.	Capitals.
1. Teherkess-Adiguosko (inc. in Kuban Black Sea Prov.) .		Krasnodar
2. Votyak . . . . .	24	Tzheosk
3. Kabarda-Balkarskaya . .	No data	Nalchik
4. Kalmuk . . . . .	1	Astrakhan
5. Karachaevo-Teherkess . .	No data	Batalpashinsk
6. Komi (Ziryansk) . . . . .	0.3	Ust-Sisolsk
7. Marisk . . . . .	19	Krasnokokshaisk
8. Tehechensk (including Gorki rep blic) . . . . .	No data	Grozni
9. Tchuvash . . . . .	45	Cheboksary

Autonomous Republics.	Density per 1 sq. kl.	Capitals.
1. Bashkir A.S.S.R. . . . .	9	Ufa
2. Gorki A.S.S.R. . . . .	18	Vladicaucas
3. Daghestan A.S.S.R. . . .	23	Buinaks
4. Karelian A.S.S.R. . . . .	2	Petrozavodsk
5. Crimean A.S.S.R. . . . .	No data	Simferopol
6. German Volga A.S.S.R. . .	23	Pokrovsk
7. Tatar A.S.S.R. . . . .	43	Kazan



## APPENDIX X

## B. Asiatic Part.

## 1. Siberia.

Gubernias.	Density per 1 sq. kl.	Capitals.
1. Altai . . . . .	8	Barnaul
2. Yensei . . . . .	0.5	Krasnoyarsk
3. Irkutsk . . . . .	1	Irkutsk
4. Novo-Nikolaiev . . . . .	9	Novo-Nikolaiev
5. Omsk . . . . .	6	Omsk
6. Tomsk . . . . .	3	Tomsk
7. Tumen . . . . .	1	Tumen
8. Oiratsk autonomous region . . . . .	No data	Ulala

## 2. Far Eastern Region

1. Amur . . . . .	No separate data	Blagovyeshensk
2. Zabaikal . . . . .	"	Chita
3. Kamchatka . . . . .	0.03	Petropavlovsk
4. Preemorsk . . . . .	—	Vladivostock

## 3. Buryat-Mongol A.S.S.R.

Far Eastern Region together with Buryat-Mongol A.S.S.R. . . . .	No separate data 1	Verkhni-Udinsk
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## 4. Turkestan A.S.S.R.

1. Amu-Daria . . . . .	No separate data	Turt-kul
2. Djetusuisk . . . . .	"	Alma-ata
3. Samarkand . . . . .	"	Samarkand
4. Syr-Darya . . . . .	"	Tashkent
5. Turkmen . . . . .	"	Poltoratsk
6. Ferghana . . . . .	"	Kokand
Total, Turkestan A.S.S.R. . . . .	5	Tashkent
Besides Turkestan A.S.S.R. in Turkestan there are 2 People's Soviet Republics :		
Bukhara P.S.R. . . . .	12	Bokhara
Khorezm P.S.R. . . . .	9	Khorezm

These figures are included in total of R.S.F.S.R.

## 5. Kirghiz A.S.S.R.

Autonomous Regions.	Density per 1 sq. kl.	Capitals
1. Akmolinsk . . . . .	No separ- ate data	Petropavlovsk
2. Aktubinsk . . . . .	"	Aktubinsk
3. Bukeevsk . . . . .	"	Urda
4. Kustanaisk . . . . .	"	Kustanai
5. Orenburg . . . . .	"	Orenburg
6. Semipalatinsk . . . . .	"	Semipalatinsk
7. Ural . . . . .	"	Uralsk
Total, Kirghiz A.S.S.R. . .	2	Orenburg
Yakutsk A.S.S.R. . . . .	0.1	Yakutsk
Total R.S.F.S.R. . . . .	5	Moscow

## II. THE TRANSCAUCASIAN S.F.S.R.

Republics	Density per 1 sq. kl.	Capitals.
1. Azerbaijan S.S.R. . . . .	24	Baku
2. Armenian S.S.R. . . . .	31	Erivan
3. Georgian S.S.R. . . . .	34	Tiflis
4. Abkhazia . . . . .	27	Suhum
Total, Transcaucasian S.F.S.R.	30	Tiflis

## APPENDIX X

## III. THE UKRAINIAN S.S.R.

Gubernias	Density per 1 sq. kl.	Capitals
1. Volnsk . . . . .	No separate data	Jitomir
2. Donetsk . . . . .	"	Bahmoot
3. Ekaterinoslav . . . . .	"	Ekaterinoslav
4. Kiev . . . . .	"	Kiev
5. Odessa . . . . .	"	Odessa
6. Podolia . . . . .	"	Vinnitsa
7. Poltava . . . . .	"	Poltava
8. Kharkov . . . . .	"	Kharkov
9. Tchernigov . . . . .	"	Tchernigov
Total, Ukrainian S.S.R. . . . .	58	Kharkov

## IV. THE WHITE RUSSIAN S.S.R.

	28	Minsk
Total, S.S.S.R. . . . .	6.5	Moscow

## Appendix XI

### BIBLIOGRAPHY

The following list is made up chiefly of Russian books published in Russia since the revolution ; it does not pretend to cover more than a part of the ground, but these Russian works are largely unknown in this country and it is hoped that their inclusion here may help to make them available. No general bibliography is given and nearly all political books are left out of account as they are otherwise accessible. The books included are nearly all in Russian.

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